

Please note: These transcripts are not individually reviewed and approved for accuracy.

MEETING

STATE OF CALIFORNIA

INTEGRATED WASTE MANAGEMENT BOARD

PERMITTING AND COMPLIANCE COMMITTEE

JOE SERNA, JR., CAL/EPA BUILDING

1001 I STREET

2ND FLOOR

COASTAL HEARING ROOM

SACRAMENTO, CALIFORNIA

MONDAY, APRIL 13, 2009

10:00 A.M.

TIFFANY C. KRAFT, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 12277

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Rosalie Mulé, Chair

Ms. Sheila Kuehl

Ms. Margo Reid Brown, telephonic

STAFF

Mr. Mark Leary, Executive Director

Ms. Rubia Packard, Chief Deputy Director

Ms. Cathy Blair, Staff

Mr. Keith Cambridge, Supervisor, Tire Hauler Compliance
Section

Mr. Bill Marciniak, Staff

Mr. Bill Orr, Division Chief, Cleanup, Closure, and
Financial Assurances Division

Mr. Darryl Petker, Staff

Ms. Lorraine Van Kekerix, Division Chief, Compliance
Evaluation and Enforcement Division

Mr. Scott Walker, Branch Manager, Cleanup Branch

ALSO PRESENT

Mr. Chuck Boehmke, LA County Sanitation District

Dr. Paul Ganster, San Diego State University

Mr. Chuck Helget, Republic Services

Mr. Terry Leveille, TL & Associates

Please note: These transcripts are not individually reviewed and approved for accuracy.

iii

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Bill Magavern, Sierra Club

Mr. Larry Sweetser, Rural Counties ESJPA

Mr. Chuck White, Waste Management

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

INDEX

	PAGE
Roll Call And Declaration Of Quorum	1
Public Comment	
A. Program Directors' Report	2
B. Presentation Of The Final Report On The Waste Tire Study For The California Mexico Border Region - (Board Item 1)	5
C. Update On Long-Term Apostles Maintenance And Correction Action Financial Assurance Activities - (Board Item 2)	38
D. Discussion And Request For Rulemaking Direction On Noticing Revisions To The Proposed (Phase II) Regulations On Long-Term Apostles Maintenance, Corrective Action And Financial Assurances For An Additional Comment Period - (Board Item 3)	
E. Discussion Of Options For The Report To The Legislature In Fulfillment Of Assembly Bill 2296 (Montanez, Chapter 504, Statutes of 2006) - (Board Item 4)	
F. Consideration Of A Revised Full Solid Waste Facilities Permit (Compostable Materials Handling Facility) For Miramar Greenery Composting Facility, San Diego County - (Board Item 5)	78
Motion	80
Vote	81
G. Consideration Of Scope Of Work And Agreement To Purchase, Support, And Make Available Surveillance Equipment To Assist The Waste Tire Enforcement Program (Tire Recycling Management Fund, FY 2008/09) - (Board Item 6)	81
Motion	89
Vote	89

INDEX CONTINUED

	PAGE
H. Consideration Of Scope Of Work And Agreement	91
To Conduct Enhanced Enforcement, Security Assistance, Education, Training, Investigative Assistance, And Surveillance For The Waste Tire Compliance Program (Tire Recycling Management Fund, FY 2008/09) - (Board Item 7)	
Motion	100
Vote	101
I. Consideration Of Adoption Of Proposed Revisions	101
To The Existing Waste Tire Hauler Registration And Manifesting Regulations - (Board Item 8)	
Motion	106
Vote	106
J. Consideration Of Grant Awards For The Local	106
Government Waste Tire Cleanup And Amnesty Event Grant Programs (Tire Recycling Management Fund, FY 2008/09) - (Board Item 9)	
Motion	114
Vote	115
K. Adjournment	115
L. Reporter's Certificate	116

1 PROCEEDINGS

2 CHAIRPERSON MULÉ: Good morning, everyone.

3 Welcome to the April 13th meeting of the Permitting and
4 Compliance Committee.

5 We have speaker slips on the back of the table.

6 So if anyone would like to address our Committee, please
7 fill one out and bring it up front here to Donnell. And
8 then you'll have an opportunity to address our Committee.

9 Also I'd like to remind everybody to please turn
10 off or put in the silent mode your cell phones and pagers.
11 Thank you very much.

12 And, Donnell, would you please call the roll?

13 EXECUTIVE ASSISTANT DUCLO: Brown?

14 COMMITTEE MEMBER BROWN: Here.

15 EXECUTIVE ASSISTANT DUCLO: Kuehl?

16 COMMITTEE MEMBER KUEHL: Here.

17 EXECUTIVE ASSISTANT DUCLO: Mulé?

18 CHAIRPERSON MULÉ: Here.

19 Good morning, Margo, wherever you are. Glad you
20 could make it with us for at least part of the meeting.

21 Do we have any ex partes? I believe everybody is
22 up to date.

23 Let's move into our Program Director's report.

24 Good morning, Ted.

25 DEPUTY DIRECTOR RAUH: Thank you.

1 I'm Ted Rauh, and I direct the Waste Compliance
2 and Mitigation Program.

3 I have just a couple of items I'm going to brief
4 you on.

5 One is the continuing progress on the Imperial
6 County New River collaborative. As you know, this is
7 actually a result of effort by the CHP quite a while ago
8 to conduct aerial surveillance for us in that area and
9 identified 64 chronic sites.

10 I bring this up only because it is an item later
11 on that you'll be hearing this morning.

12 But in part as a result of that investigation,
13 one of the areas that the Board has awarded sites through
14 a solid waste local enforcement grant, we are making
15 substantial progress. There were 14 sites approved in
16 this innovative grant the Board made. And ten of those
17 are either completed or nearly completed the entire
18 cleanup, which is quite rapid in this program area.

19 And also, of course, we are making progress now
20 on the ten sites, priority sites, that you approved in
21 February with the Imperial Irrigation District.

22 So as we move every few months, I'll give you a
23 quick update on the progress of those 64 sites.

24 CHAIRPERSON MULÉ: Great.

25 DEPUTY DIRECTOR RAUH: Also wanted to give an

1 update quickly on an effort that Todd Thalhamer and Wes
2 Mindermann brought to you, which was an innovative
3 agreement with the Department of Fish and Game for
4 \$250,000 to do drug bust related site cleanups. And that
5 program is also underway with over 60 sites having been
6 identified. And these are remote sites that can only be
7 reached by helicopter. And at this point, we're making
8 very good progress, and the Board is getting very positive
9 press as these sites are cleaned up.

10 And an example of one is a recent cleanup around
11 Lake Shasta where nearly 3,000 pounds of abandoned drug
12 irrigation equipment as well as a large number of
13 pesticide and other types of residual cans were cleaned
14 up. And it's especially noteworthy because the bears were
15 attacking these cans, and we wanted to get them out of the
16 hands of the bears. And that's an example of a successful
17 effort there as well.

18 And, finally, we have reported several times on
19 the Oak Ridge Mobile Home Park, which is a major site in
20 southern California as a result of last year's devastating
21 wild fires. Scott Walker has been working diligently with
22 the city of Los Angeles and State and federal agencies to
23 develop a model cleanup program patterned after the
24 approach the Board has successfully used or helped other
25 local governments utilize. We're pleased to indicate the

1 city of Los Angeles is moving forward with that type of
2 cleanup program now, and we expect all the sites will be
3 cleaned up by the end of this month. So that's a major
4 move forward.

5 And, finally, this is the first quarterly report
6 on our streamlined penalty process that the Board adopted
7 and are moving forward. We report to this Committee on a
8 quarterly basis as to our progress.

9 Last year's results we have mentioned that, at
10 this point, of the 95 sites that were taken through that
11 process, 90 are compliant and complete. And we collected
12 over \$41,000 in fines and penalties which have been going
13 to the environmental education program.

14 And this year, with the first quarter, there are
15 39 cases that we have taken through that process.
16 Twenty-six have completed and paid in full. And really
17 the remaining are in the negotiations process, with only
18 one individual determining that they don't want to
19 participate in the streamlined effort.

20 And to date, we've collected \$7,750 worth of
21 penalties in that program.

22 And with that, that completes my staff or program
23 report for this month.

24 CHAIRPERSON MULÉ: Great. Thank you, Ted.

25 Do we have any questions for Ted?

1 Before we move into our agenda, I just want to
2 make a note for the public and everyone listening that
3 Committee Items C and D, Board Agenda Items 3 and 4, will
4 be heard at the full Board next Tuesday, April 21st.

5 So with that, let's move into Board Agenda Item
6 1, Committee Item B, Ted.

7 DEPUTY DIRECTOR RAUH: Thank you.

8 By way of brief introduction, this first item is
9 a contractor report by Dr. Paul Ganster of San Diego State
10 University. He'll be reporting on the used tire flow
11 study he and his research team have completed.

12 And here to provide further introduction to the
13 topic is Darryl Petker, who is the Board's project manager
14 for this effort. Darryl.

15 MR. PETKER: Madam Chair, Board members, my name
16 is Darryl Petker, and I work for the Compliance Section.

17 And I'd like to introduce two people. Don't have
18 to stand up yet. But it will be Dr. Paul Ganster and
19 Gregory Scott Wagner, who were instrumental in this
20 report. They were two of the many people for San Diego
21 that worked on this project.

22 I want to put a little of this in context for you
23 and give you some information of how it worked and some
24 thoughts on this. And then I'll let Dr. Ganster take the
25 floor and provide you with the information from his

1 report.

2 First of all, it's been a long time coming. This
3 has been a three-year project. I know there's a lot of
4 interest in this, as there should be. And I'd like to say
5 I think they've done a lot of work and a lot of good work
6 on this.

7 The project started in June of '06 and is ending
8 next month on the 15th. The project was for \$250,000.
9 This was required of the Five-Year Plan under Senate Bill
10 772 from Ducheny. And basically it asked to do many
11 things in there. And we built that into the Scope of
12 Work.

13 That's how the waste and used tires were being
14 transported across the border. So on both sides, how
15 tires were going back and forth, some of the environmental
16 and economic impacts of those movements and the tires and
17 their resting places and all the things related with that.

18 Other things they looked at -- I have a list of
19 them here, and I'll kind of go down it:

20 Cost of transport, disposal, cleanup, and other
21 issues related to tire fires.

22 Evaluation of the regulatory structure used by
23 California and Mexico to manage tires along the border.

24 Collection and review tire transport information
25 along the border regions, not only California, but other

1 areas also, which would include but not limited to Oregon,
2 Nevada, Arizona, Utah, and including international, some
3 of those tires that are going to Asia.

4 One of the significant things we did in this was
5 to have a two-day conference in San Diego where Mexican
6 officials came. We had a lot of people from the U.S. EPA,
7 Cal/EPA, a lot of grantees were there and exchanging
8 information. It was very good. There was a translator
9 there. It was excellent.

10 I would say one of the things I was impressed was
11 the frankness of the Mexican government people and to what
12 their problems were and what they were doing to make -- to
13 help at their end.

14 So one of the things we've tasked San Diego and
15 Dr. Ganster with was evaluation, understanding of the
16 current waste tire policies, laws, regulations, and
17 procedures along the border for both us and for Mexico.

18 We also asked them to make suggestions, if
19 appropriate, for consideration by policy makers, which I
20 think you'll hear some of those today.

21 Today's presentation is the result of SDSU, and
22 it is their presentation. The Board has had some input
23 into it, but it is their product.

24 One of the things I'd like to commend San Diego
25 State on was the fact that above and beyond their tasks --

1 and you'll hear a little bit more about this tomorrow --
2 is that the San Francisco State University satellite
3 project did a lot of satellite work in Mexico. Well, our
4 people couldn't go to Mexico for numerous reasons to
5 ground truth that imagery and what we would do here in
6 California. San Diego took that on under their contract
7 without a task and did that. And they did a very good
8 job. I think Dr. Ganster will speak to that and will
9 speak to it again. So above and beyond what they were
10 required to do.

11 One of the things that we've also supported them
12 with is the CHP contract. Dr. Ganster and some of those
13 people would go out and meet with the CHP, work on check
14 points, look at trucks coming across to get a flow for the
15 volume, which gave them a pretty secure platform to kind
16 of browse. And we also put them up in the helicopter so
17 they could see that, too.

18 We are working on the second version of that.
19 We've got the final report. We've got the version almost
20 finished. And as soon as we get that done, it will go for
21 publication so everybody can have a copy of it.

22 And last, I'd like to say we'll be back in a
23 couple of months with recommendations as a result of this
24 and with the final report to kind of tie everything
25 together for you and get some guidance.

1 CHAIRPERSON MULÉ: Very good. Continue.

2 MR. PETKER: With that, I'm done, unless you have
3 questions for me.

4 With that, I'd like to turn it over to Dr.
5 Ganster. So Paul.

6 (Thereupon an overhead presentation was
7 presented as follows.)

8 DR. GANSTER: Thank you, Darryl, Madam Chair, and
9 Board members. I'm delighted to be here, and wanted to
10 thank the Board for supporting this research, which I have
11 found extremely interesting and I think very productive.

12 And I also wanted to thank colleagues in
13 California and Mexico that assisted from the public and
14 private sectors as well as a large number of researchers
15 who contributed to this.

16 --o0o--

17 DR. GANSTER: The purpose of the flow study was
18 to understand the flow of used and scrap tires from
19 California and to Baja California and adjacent parts in
20 Mexico, including Baja California Sur and the near part of
21 Sonora next to the Mexicali valley.

22 We looked at the size of the flow, the regulatory
23 frameworks in both countries, and also attempted to
24 evaluate and to quantify when possible the environmental
25 and economic impacts.

1 And, finally, our job was to suggest some options
2 for addressing problems generated by the transporter flow
3 of used and waste tires.

4 --o0o--

5 DR. GANSTER: Here's a map showing the major
6 areas in the California/Baja California border region
7 where we worked. Principally, the hundred kilometer --
8 200 kilometer band bisected by the border is the border by
9 U.S. EPA and many State and local programs. In this, we
10 also included the near part of Sonora, San Luis Rio
11 Colorado, which is treated by Mexico as the same region in
12 terms of tire import permits.

13 --o0o--

14 DR. GANSTER: In terms of the cross-border flow,
15 in 2006, California generated more than 44 million used
16 and scrap tires, and 2.7 million of these were destined
17 for reuse. 2.1 remained in California. And the remainder
18 were exported to Mexico.

19 In going through the data, we were able to
20 determine that about 637,000 were formally exported to
21 Mexico. That means with permits by the Mexican
22 government. And in addition, about 64,000 were exported
23 informally without permits, smuggled, or taken across
24 without permits. However you want to call it.

25 Now, in addition, 80,000 used tires were

1 exported, but they were attached to used and wrecked
2 vehicles that are exported to Mexico. So there was a lot
3 of movement in different categories, and it's not always
4 easy to pin down.

5 --o0o--

6 DR. GANSTER: We determined that most of the used
7 tires are transported and exported with permits by a
8 hauler from California or Mexico and with a permit from
9 the state of California.

10 In 2007, there were 79 businesses in Baja
11 California that had licenses from the Mexican government
12 to import tires into Mexico. And in terms of for one year
13 determining the estimates of the California-Mexico trade
14 in used tires, we came up with a little chart that's in
15 front of you.

16 As you can see, the formal import quota
17 established by the Mexican government was 750,000.
18 The economic secretary, which records the imports,
19 indicated 676,350 tires were actually imported. US
20 customs that same year was able to demonstrate that about
21 630,000 tires were exported through California ports of
22 entry. And the US International Trade Commission gave a
23 figure of about 600,000.

24 So all of these are in rough agreement. And I
25 think it helps demonstrate that our estimates are pretty

1 good.

2 --o0o--

3 DR. GANSTER: Now, the informal flow of tires is
4 a different ball game, because informal things tend to be
5 illegal, and no one keeps very good records on them.

6 What we've determined is that the sources of
7 informally exported tires, or imported tires to Baja
8 California, are take-off tires kept by customers when they
9 purchase new or new used tires in California. Instead of
10 paying the fee to the tire retailers, they just keep the
11 tires and take them back to Mexico.

12 And then there's a well established process of
13 employees and others cherry picking used tires from
14 retailers, and these end up back in Mexico for sale one
15 way or another. And I think most of these move in small
16 loads in trunks of cars or in vans, loads of under 100
17 tires, but often five or six tires that an individual is
18 taking back.

19 We estimate that about ten percent of the legal
20 flow or an additional ten percent of that number would be
21 the informal flow. Although, in Mexico, you hear
22 estimates that the illegal flow is twice the size of the
23 legal flow and so on, so forth. But we just don't think
24 that's accurate, because first of all, anecdotal
25 information or interviews with Mexican officials, we're

1 pretty sure there's not a huge illegal flow going on. And
2 also there are very few seizures of illegal loads by
3 Mexican customs.

4 So we think that there's not a lot of leakage
5 through Mexican customs at the commercial ports of entry.
6 We think most of the informal flow is through the
7 non-commercial ports of entry where passenger vehicles and
8 empty trucks and so on go.

9 --o0o--

10 DR. GANSTER: Now just a footnote on that.
11 Mexico is initiating a program of stepped up incoming
12 inspections at commercial and non-commercial lanes. It's
13 part of a national effort to crack down on firearms and
14 ammunition smuggling. And they're also going to be
15 looking for unauthorized imports. And they should pick up
16 used tires in that as well.

17 I'm going to a briefing on it next week by
18 Mexican customs officials. But I think that will help
19 support CHP and Board efforts to get a better handle and
20 control the illegal export.

21 --o0o--

22 DR. GANSTER: The economic impact of the used
23 tire trade is considerable. We estimate that the
24 export -- the legal export of tires to Baja California
25 represented in 2008 about \$5.4 million for California tire

1 haulers and others.

2 Also, the legal exports constituted a large
3 number of tires that California did not have to dispose of
4 according to California regulations. And these tires had
5 generated approximately 1.12 million in new tire fees that
6 had been paid when the tires were new and also had
7 generated nearly a million dollars in disposal charges
8 paid to the tire retailers.

9 So this was quite a savings for California
10 companies and institutions. And it's clear to us that the
11 revenues from used tires help support the scrap tire
12 haulers and disposal efforts within California.

13 I think the bottom line here is we feel that the
14 sale of the used tire trade to Baja California is an
15 important economic activity that has significant indirect
16 and direct effects on the California economy.

17 Now, in Baja California, in 2008, about \$1.2
18 million were paid for federal import taxes to the Mexican
19 government. Unfortunately, that money goes to Mexico City
20 to the national treasury and is not available to local
21 people to use to try to address the scrap tire problem.

22 Also the sale of imported used tires generated
23 about \$13 million in revenue. And so we conclude that the
24 used tire trade, both formal and informal industry, in
25 Baja California, supports approximately 4500 to 6,000 jobs

1 and generates a payroll of between 17 and 22 million a
2 year in wages.

3 So it's a very important economic activity for
4 the state of Baja California, involves a lot of people.

5 --o0o--

6 DR. GANSTER: And in terms of scrap tire disposal
7 in Baja California, we're pretty sure that about 1.5
8 million scrap tires are generated for disposal each year
9 in Baja California. And about half of these come from
10 tires imported from California, which is interesting,
11 because many times critics in Mexico imply that the entire
12 problem is the result of the imports. But only about
13 half.

14 Of these 1.5 million, about 500,000 are used for
15 tire-derived fuel in cement kilns. And of course with the
16 economic slowdown, that number will decline, but we
17 haven't been able to determine to what level.

18 About 500,000 end up in civil engineering and
19 informal construction purposes.

20 And the remainder end up in landfills, scattered
21 around urban and rural areas and clandestine dumps, some
22 of which are mixed with other trash. Some are used in
23 open burning and fuel. There are miscellaneous uses such
24 as soles for sandals and huaraches, what we call the
25 return to sender program, which is not large, but is

1 important. These are tires that are used mainly in
2 informal construction in particularly Tijuana or perhaps
3 in Mexicali or just thrown out into canyons and during
4 rain storms wash down the river back into the
5 United States. So tires that originated in California are
6 returned but end up being buried in sediment and are
7 extremely expensive to clean up at that stage.

8 --o0o--

9 DR. GANSTER: Here's an example of some uses in
10 formal construction. It's a system developed by a Mexican
11 engineer architect, and it's called Yantek. But in the
12 upper left corner, you can see a very large gravity
13 retaining wall next to a highway. And I'm guessing -- I'm
14 not sure, but that probably has 50 to 60,000 tires in it.
15 So a very good use. It's a system that's very appropriate
16 to Mexico, because it takes advantage of low cost labor, a
17 free good, the scrap tires, used in a well engineered and
18 ingenious way.

19 In the upper right, people are preparing the
20 tires by cutting out the side walls. They form them in a
21 figure 8, staple them together, and then piled on top of
22 each other filled with dirt.

23 As you can see in the lower right, it's a shot
24 straight on the wall. Vegetation can be planted or will
25 grow in the ends that stick out. So it creates a green

1 barrier between you and just the observer and the tire
2 wall. And actually they look pretty nice when they're
3 cared for properly.

4 In the lower left is the Ensenada Cement Kiln.
5 And generally they accumulate four to 500,000 tires on the
6 property in order to have a sufficient stock to manage the
7 fuel supplies for a number of years.

8 --o0o--

9 DR. GANSTER: Now, in terms of environmental
10 impacts of scrap tires in Baja California, there are a
11 number of important impacts. The transporter impacts
12 include impacts on air quality which effect both human
13 health and crops. A tire fire at an early stage in the
14 growth of a crop can effect the quality of the final
15 product. If it comes at the very end, the residue and so
16 forth can be washed off and it's just a moderate
17 inconvenience.

18 The tire pile fires that break out occasionally
19 are the cause of these transporter impacts, but also
20 regular mixed tire and trash burning in Mexico is a
21 constant input into the quality of the binational air
22 sheds. And also in some areas in Mexico, they still use
23 tires as fuel for brick kilns, which is very dangerous to
24 local people as well as the entire region.

25 A second effect would be the transport across the

1 border to California by floods and by rivers. This occurs
2 most frequently in the Tijuana estuary. It occurs in the
3 Imperial Mexicali Valley and New River where tires that
4 either are carried in by occasional rainstorms or else
5 just thrown by local people are washed over to the US.

6 And finally, the vector habitat issue of tire
7 piles is important to keep an eye on. It's not a big
8 problem in the border region. There's not a lot of
9 evidence that there are direct results on human health in
10 terms of disease. But with changing climate patterns,
11 changing rainfall patterns, it could be a problem that
12 needs to be monitored carefully.

13 --oOo--

14 DR. GANSTER: The tire piles in Baja California
15 have been addressed in a concerted effort under the
16 US/Mexico Border 2012 Program, the State Environment
17 Agency. Local agencies on both sides of the border have
18 been big players in this. And Baja California has
19 successfully cleaned up more than 1.4 million tires in
20 large piles. There's one large pile remaining which is a
21 transfer station in Mexicali. It has perhaps 400,000
22 tires.

23 Now many piles around Baja California, perhaps
24 150 or maybe twice that, get burned often and account for
25 two-thirds of all fires in the Mexicali Valley, for

1 example. In other words, the local firefighters report
2 that two-thirds of the fires they respond to are related
3 to tires and mixed trash. And in many cases, we think
4 it's just local people dumping tires, burning them to
5 create room for more trash and more tires to be dumped.

6 This is a very dynamic process. It's difficult
7 to inventory, but the satellite imagery is particularly
8 useful in terms of finding these places and making it easy
9 for Mexican authorities to get to the sites, unless there
10 are problems and restrictions of private property.

11 In the work we did for the Board on ground
12 truthing, our contacts in Mexicali report finding many
13 tire piles they were unaware of, even though they're
14 looking for them all the time. And also initial estimates
15 are that about 80 to 90 percent of the identified
16 locations actually did have tires or recent burns. So the
17 satellite imagery system is very effective.

18 --oOo--

19 DR. GANSTER: Here's an example of a clandestine
20 dump in the Mexicali Valley. This was shown at the
21 meeting we held just about a year ago in San Diego.

22 In the upper left, you can see a photograph taken
23 February 1, 2008. And then a month later, the
24 firefighters re-visited, and it had been recently burned,
25 creating a lot of space for additional tires.

1 So this is the type of problem that local
2 authorities have to deal with on a regular basis.

3 --o0o--

4 DR. GANSTER: In terms of scrap tire management
5 in Baja California, we're seeing a rapidly evolving
6 situation. In Mexico, there's been a devolution of powers
7 of government to the State and local level that's been
8 occurring over past decade or so. We've seen the
9 emergence of State legislation and capacity in Baja
10 California to address scrap tires and an emerging solid
11 waste role of municipalities in Mexico. So things are
12 moving quickly in the right direction for dealing with the
13 scrap tire issue.

14 Now one problem is the Federal Economics ministry
15 in Mexico City sets the annual import quota for used
16 tires. There's always a tension between economic
17 development and dealing with environmental problems, and
18 we see it in Mexico as we do everywhere else.

19 The Federal Environmental Ministry in Mexico has
20 been very helpful at encouraging State and local efforts
21 and coordinating with the United States. And border
22 states such as Baja California are now moving rapidly to
23 address the scrap tire problem.

24 And I might add that events such as the
25 conference we held last year, interviewing local

1 authorities, has really stimulated and helped maintain
2 their interest in dealing with scrap tires.

3 --o0o--

4 DR. GANSTER: Now, in Mexico, in Baja California,
5 the importers and retailers in Baja California must show a
6 certificate they disposed of tires properly in order to
7 continue to import legally. And this system seems to work
8 fairly well. It controls reasonably well the number of
9 tires that are imported formally from California.
10 However, when you take those imported and those generated
11 in Mexico, only about 43 percent of scrap tires are
12 disposed of according to regulations.

13 Municipal environmental agencies report to us
14 that they are able to find the resources to go out and
15 collect scattered tires that are just dumped in the local
16 neighborhoods, but they don't have the funds to transport
17 those or to dispose of them legally. And it's just simply
18 a resource issue in Mexico.

19 --o0o--

20 DR. GANSTER: In 2008, Baja California, passed a
21 tax of four pesos per tire on imported used tires that
22 would be used for scrap tire disposal. So this was a
23 response to I think discussions we had in the March of
24 2008 meeting. I mean, they got right on this and were
25 trying to figure out a way to develop proper disposal.

1 Currently, the State government is developing a
2 monofill south of the city of Mexicali in an old quarry
3 for materials used in construction where they want to set
4 up a process of baling scrap tires and then burying them
5 to control any potential problems for burning.

6 They have acquired the land. They're looking for
7 a contractor and baling equipment, and they plan on
8 opening in 2009.

9 So this is really a significant development. It
10 will take used tires from throughout the state. Those
11 from Ensenada will mainly go into the kiln in Ensenada,
12 but Mexicali and Tijuana will be able to dispose of their
13 tires in this monofill.

14 --o0o--

15 DR. GANSTER: Now, in terms of recommendations, I
16 just wanted to start with a caveat that it's clear to us
17 that used waste and tires in the border region are a
18 binational problem best addressed jointly through policies
19 developed by the Waste Board, the State of California, and
20 authorities in Baja California. So joint problems need
21 joint solutions, and input on the part of Baja California
22 authorities early in the process is critical to make it
23 successful.

24 And a number of recommendations -- and I'll just
25 go through these -- include better data on used tire flow

1 to and across the border to share with Mexican
2 authorities. In other words, help them understand what's
3 coming across, what's being exported and when.

4 I think continuing to provide the satellite
5 imagery analysis of tire pile locations will help them get
6 the problem under control and should be a program that
7 eventually would sunset as they develop better methods and
8 resources to confront the problems.

9 I think the Waste Board could work with US
10 Customs to develop better export data on used tires to
11 share with Mexican authorities to be able to report in a
12 timely manner, yes, this number of tires were exported
13 through the California ports of entry. Here were the
14 importers in Mexico or the exporters from the US that show
15 on the manifest. And I think the Waste Board would have
16 the leverage to work with customs to do that.

17 Also, I think continuing to work with California
18 Highway Parole and customs and border protection on
19 southbound inspections at the ports of entry is really
20 important. When we started the project, we expected to
21 see trucks full -- open trucks full of tires all over the
22 roads. But we didn't. And we didn't find many in vans.
23 And it's pretty clear that the Board's effort with CHP
24 have had really significant success over the years.

25 --o0o--

1 DR. GANSTER: In terms of collaboration with Baja
2 California and Mexican authorities, I think the Board
3 could develop joint actions for cross-border tire
4 management and cooperation. I think regular information
5 and data exchanges would be very helpful. Personnel
6 exchanges would really help the Board understand how
7 things work in Mexico and help Mexican agencies understand
8 how the Board works. And I think that's critical to
9 coming to grips and resolving the border tire issue.

10 I think the Board could play a role in supporting
11 cross-border crumb rubber asphalt paving that would be
12 carried out by the private sector in Baja California under
13 government authority. Developing markets in Baja
14 California is critical. And because there are so many
15 unpaved roads in Baja California and there are a lot of
16 tires available, this is an area that's worth exploring.
17 The cost factor is a problem, but I think that can be
18 overcome.

19 And I think additional support for civil
20 engineering applications development in Baja California
21 would be helpful.

22 Engineering school curriculum development, such
23 as the program with Chico, but understanding that things
24 work differently in Mexico, so locally appropriate
25 solutions have to be developed.

1 And, finally, I think the Board immediately can
2 begin to support the development of the tire disposal site
3 in Mexicali region.

4 --oOo--

5 DR. GANSTER: Now, in terms of some options that
6 Baja California might like to consider would be to
7 continue to develop the monofill in Mexicali and get it
8 working well. That will be a public/private partnership,
9 and these things are always tricky to develop, because
10 when a local administration changes, these arrangements
11 tend to fall apart.

12 However, participation of US agencies,
13 particularly the Waste Board in that project, would
14 practically guarantee that there would be good continuity
15 of that project from the current administration to the
16 next. So the international connection is a good way of
17 guaranteeing that there is continuity of the programs in
18 the border.

19 Secondly, I think Mexico could do a better job of
20 generating and sharing data on the quotas and imports with
21 the Waste Board. I think the Mexican authorities could
22 work with California in private sector and market
23 development for tire-derived products, particularly
24 rubberized asphalt paving.

25 And I think Mexico also has an opportunity to

1 expand the scrap tire disposal regulations to all
2 generators, not just the generators who import tires. And
3 that will help quite a bit.

4 --o0o--

5 DR. GANSTER: So that's the end of my
6 presentation. I'd certainly be delighted to address any
7 questions you have now. And I'll be around for a while
8 this afternoon and would certainly be glad to meet for
9 informal discussions or whatever.

10 CHAIRPERSON MULÉ: Well, Dr. Ganster, thank you
11 so much for being here. It's good to see you here and in
12 good health.

13 DR. GANSTER: Thank you.

14 CHAIRPERSON MULÉ: And this study as Darryl had
15 said was long awaited, and so we're really pleased to see
16 that we do have a final report here.

17 But I'm going to first defer to my fellow
18 Committee members to see if they have any questions.

19 Sheila.

20 COMMITTEE MEMBER KUEHL: I do have a few
21 questions, which I'm not certain about the technology
22 whether you can go back to any of the slides, and since I
23 don't print them out, since I think it's a waste of paper.

24 My first question is about your conclusion that
25 estimates of the informal or illegal flow of tires

1 range -- yes, this slide -- from ten percent to 150
2 percent of the formal. And you indicated that you thought
3 ten percent was the most likely. Could you elaborate on
4 why again you thought that? I mean, I see the bullet
5 points underneath. So no detection of large informal
6 shipments would lead you to think that estimates are
7 overblown about how many there are, the fact that Mexican
8 customs didn't seize very many, and the fact that they're
9 sort of small loads. But do you feel confident in that
10 conclusion?

11 DR. GANSTER: I feel pretty good about that, and
12 I've had long discussions with the Secretary for
13 Environmental Protection and his staff in Baja California.
14 And they come down on a low estimate -- on the side of the
15 low estimate like that as well, because they just don't
16 encounter a lot of anecdotal information about large
17 informal illegal shipments.

18 And they think that Mexican customs is doing a
19 good job of requiring the permits. And I think part of
20 that has to come from pressure from Treasury, because
21 there is income associated with the importations of used
22 tires.

23 I reviewed the list of customs seizures for all
24 of northern Mexico going back for about ten years, and I
25 found very few seizures. And the seizures might be at a

1 checkpoint 50 kilometers from the border or 200 kilometers
2 from the border, but very, very few.

3 So I think, you know, no customs arrangement is
4 perfect. But I think the Mexican customs are doing a
5 reasonable job. And I think that's probably a good
6 estimate to go with until somebody proves otherwise.

7 COMMITTEE MEMBER KUEHL: I was trying to line
8 that up with the numbers about the tire -- numbers of
9 tires that need to be disposed of in Mexico and the fact
10 that you kind of went quickly over the fact that there was
11 an opinion in Mexico that a lot more came from California
12 than you think did. And therefore the conclusion was all
13 the rest of them were generated in Mexico.

14 So, you know, putting those two things together,
15 there seemed to at least occur to me the possibility that
16 the opinion that a lot more were coming from California
17 could be valid, but we weren't detecting them. But you
18 feel confident that the detection mechanisms are such that
19 the conclusion that more of those tires are being
20 generated and staying in Mexico is a valid one.

21 DR. GANSTER: Well, look, if we're talking about
22 flows that are half a million tires a year of illegal
23 tires, Darryl and the CHP and the Waste Board and their
24 programs would be finding a lot more stuff moving without
25 permits, because you do require permits for movement

1 within California, and those data seem to coincide.

2 When a load enters US customs, they have to
3 declare in a manifest what they're taking. And if they
4 have used tires, they declare that. And that figure
5 roughly is the same as what Mexican authorities say are
6 imported legally.

7 Now, if there were 50 percent more going out of
8 US customs that are supposedly coming in Mexican customs,
9 we know something is wrong.

10 Now, I think if the Waste Board can work with
11 customs and border protection and share that data with
12 Mexican authorities, that will improve the situation if
13 there is any leakage there.

14 For some of these very large estimates, I think,
15 you know, when you live in the border region, there is a
16 natural tendency to blame all the problems on the other
17 side. So I think some of these high estimates that pick
18 up on that old tradition of blaming the other folks.

19 I think some of the estimates of huge numbers of
20 imported tires come from the Mexican new tire industry.
21 I've heard them at three different presentations speak
22 very confidently about this larger estimate of the number
23 of imported tires -- used tires imported illegally.

24 COMMITTEE MEMBER KUEHL: But the study doesn't
25 support that is what you're saying?

1 DR. GANSTER: Yeah.

2 COMMITTEE MEMBER KUEHL: My next question goes to
3 the economic impacts to California indicating the tires
4 that we did not have to dispose of, which went to Mexico,
5 had generated this money in new tire fees I understand and
6 the disposal charge is paid to tire retailers. So are you
7 indicating that money was wasted in being paid to tire
8 retailers?

9 DR. GANSTER: No. I'm just saying it occurred.
10 And --

11 COMMITTEE MEMBER KUEHL: But you didn't have to
12 spend it in disposing of -- or one didn't have to spend it
13 in disposing of tires.

14 DR. GANSTER: Right. But I think that money
15 helps the whole disposal collection system in California
16 function. And it also generates used tires that can be
17 sold. So I merely put that out for -- just because it's
18 an important part of the economics of the used tire trade.
19 And I don't know whether --

20 COMMITTEE MEMBER KUEHL: But it doesn't represent
21 a savings in any way. I'm just trying to understand
22 normally when we say California didn't have to spend three
23 million dollars or, you know, two million dollars or
24 whatever, it would normally mean a savings where the money
25 could be redirected. Is that what you mean?

1 DR. GANSTER: Well, no. Okay. The new tire
2 fees -- well, our money that the State saves in one way or
3 another. The fees paid to the private generators means
4 that they don't have to pay to have those tires disposed
5 of, but that those tires actually enter the used tire
6 stream and provide income to the companies that collect
7 and then re-sell the tires to Mexico.

8 So there's really kind of a public element and a
9 private element here. And I think the point we make is
10 that the used tire trade provides an income stream to the
11 generators and to the haulers that help support hauling
12 for final disposal and also help support the trade and
13 used tires.

14 COMMITTEE MEMBER KUEHL: My last question goes to
15 the monofill. And you may not be the correct person to
16 ask the question to. But it seems like a sort of a baling
17 and burying is neither reuse nor recycling. It reminds me
18 of the nuclear waste discussion, although not as toxic in
19 its own way. But is there anybody that thinks this is a
20 good idea?

21 DR. GANSTER: Well, I think the feeling is it's
22 not the best use of this material. But it's a heck of a
23 lot better than having them accumulate in dangerous piles
24 that might be set on fire.

25 It's like we end up in California burying a lot

1 of tires in landfills in one way or another. And
2 alternative daily cover is probably not the best use of
3 that research in terms of energy potential and other
4 things.

5 But given the lack of well-developed markets for
6 more productive uses, I think it's a good alternative,
7 because it avoids the potential of very large negative
8 environmental impacts.

9 And the Baja California authorities recognize
10 this very clearly, that it's not the best solution but
11 it's better than other options available.

12 COMMITTEE MEMBER KUEHL: Well, it shows up in all
13 your recommendations, I guess is the reason I was asking
14 to ask us to collaborate in this and et cetera. I think
15 it's just -- I guess what everyone or what the study
16 concludes is that there are no alternative uses for that
17 many tires, except a more negative outcome.

18 DR. GANSTER: Well, we think the paving --
19 rubberized asphalt paving is potentially a huge use of
20 scrap tires. I've had lots of discussions with the head
21 of the Border Environment Cooperation Commission which
22 along with the North American Development Bank funds
23 paving projects in Mexico.

24 And the problem is is that the initial cost is
25 higher of putting down rubberized asphalt. Mexican

1 contractors don't have the right equipment and practice.
2 And so I think it would be very productive to explore with
3 the Border Environment Cooperation Commission perhaps
4 subsidizing some paving projects that would help maybe get
5 US and Mexican companies working together laying down
6 paving that will have a longer life, but has a larger
7 initial cost and start developing those markets in Baja
8 California as well.

9 And the Border Environment Cooperation Commission
10 which lends money according to US and Mexican statutes,
11 but can work on both sides of the border, is very hesitant
12 to require a higher cost initial paving. But I think
13 that's one promising area.

14 COMMITTEE MEMBER KUEHL: Thank you, Madam Chair.

15 CHAIRPERSON MULÉ: Thank you.

16 Margo, do you have any questions? Okay.

17 I just have a few observations and maybe a
18 question or two interspersed between there. I, too, had a
19 question, the low estimates for the informal tire flow. I
20 think going into this study we all had made some
21 assumptions that informal flow was much higher than it is.
22 So I was a little surprised to see it's at the low end.

23 So I think in terms of the recommendations, I
24 think anything we can do to further monitor the flow of
25 tires I think would be very helpful as you suggest in your

1 report.

2 The second thing is on the technical assistance
3 aspect as how I'm characterizing it with the Mexican
4 government in helping them with civil engineering
5 applications. It seems like they're well on their way on
6 the civil engineering applications, but where they might
7 need assistance is with the rubberized asphalt paving.

8 And again, just for the record, the State of
9 California is precluded from expending funds directly to
10 the country of Mexico for tire-related activities. So
11 again, I think we can provide technical assistance, but we
12 can't provide direct dollars.

13 So again with that, I do appreciate your being
14 here, Dr. Ganster. Appreciate the report.

15 Darryl, thank you for all of your efforts with
16 this. It's a good report. And look forward to the item
17 that you bring back to us in a couple of months with your
18 recommendations.

19 So with that, thank you very much. And that
20 concludes this item.

21 DR. GANSTER: Thank you.

22 CHAIRPERSON MULÉ: Let's move on to Committee
23 Item C. We have a speaker slip.

24 EXECUTIVE ASSISTANT DUCLO: For C.

25 CHAIRPERSON MULÉ: For C. Oh, we do not have a

1 speaker slip for you, Mr. Leveille.

2 EXECUTIVE ASSISTANT DUCLO: For I.

3 MR. LEVEILLE: It was for 1. I don't know
4 whether to do it by the number or letter in the Committee.
5 And usually you call it by the number.

6 CHAIRPERSON MULÉ: You can do it by both. So we
7 do have a speaker slip for Mr. Leveille. I apologize. Go
8 right ahead.

9 MR. LEVEILLE: Madam Chair and Committee members,
10 this is Terry Leveille from TL and Associates representing
11 Lakin Tire.

12 And I was a little -- I was very apprehensive
13 about this study a year or two ago or three years ago when
14 it was first proposed. But looking at the initial
15 results, I'm actually quite impressed. I think that Dr.
16 Ganster has done a yoman's job in a project that I thought
17 it was going to be very -- and I do recognize how
18 difficult it is to monitor the movement of scrap tires
19 across the border. Even used tires across the border is
20 hard enough. And Lakin Tire is -- Lakin Tire West out of
21 Santa Fee Springs is probably the largest mover of used
22 tires and with their contractors and haulers that come up
23 from Tijuana and pick up tires at Lakin.

24 It is an extremely difficult number to come
25 across, because it's just not allowed. And I recognize

1 Board Member Kuehl's and your concerns that the number
2 might be low.

3 But the question is, when you move waste tires --
4 any time you move tires, it costs money. And the movement
5 of waste tires to avoid disposal costs in California
6 across the border, still it doesn't make a lot of sense
7 economically to just throw in scrap tires across the
8 border so you can dispose of them illegally for free. And
9 I think that maybe one of the issues that has looked at
10 that ten percent. Any time you move tires, whether
11 they're used or scrap tires, it is an expensive
12 proposition.

13 Secondly, Lakin at times in the past has
14 suggested that on the back hauls from Mexico they would be
15 willing to take scrap tires into California to dispose of,
16 to shred, and recycle or possibly dispose at landfills.
17 Then they started looking at the companies they work with
18 down in Mexico, primarily Tijuana, and they found most of
19 those tires, the scrap tires that these tire dealers
20 generate, go to the cement plants. And so it didn't make
21 much sense for them to do that unless there was some --
22 they would have had to have a tip fee, of course. But it
23 didn't make sense for their things to do it.

24 As for the monofill issue -- and of course the
25 Waste Board has had a lot of experience with monofills.

1 And my suggestion -- and it is a poor use of tires. But
2 the cost of developing an infrastructure for asphalt
3 rubber, the cost of plants, the cost of the companies that
4 can actually have the skill and the wherewithal to put it
5 down is too much for a lot of the Baja states. And I
6 think -- the Mexican states. And it's going to be a
7 real -- unless the United States does get involved in some
8 manner in the private efforts, that's going to be a long
9 shot. And it will take some time. But certainly is well
10 needed. And that would be a perfect way to get rid of a
11 lot of the tires.

12 The monofill certainly I would hope that the
13 Board would at least communicate with Mexican authorities
14 with our monofill regulations that took so long to develop
15 to prevent fires. That's the one thing that we spent a
16 lot of money with Dr. Humphries developing those
17 regulations. So I would hope that that kind of
18 information sharing would be a priority, because it does
19 sound like they are going to be working with those things.

20 And that's one of the major concerns about
21 monofills, is tire fires that are started spontaneously.

22 But overall, I'm looking forward to the report.
23 I think that what I've seen thus far I'm very impressed
24 with. And, you know, kudos to Dr. Ganster and his team.

25 CHAIRPERSON MULÉ: Thank you, Terry.

1 Okay. Let's move on the Committee Item C, Board
2 Agenda Item 2. Ted.

3 DEPUTY DIRECTOR RAUH: Yes, thank you, Chair Mul
4 and Committee members.

5 Item C, this item is a staff update on the
6 Board's long-term postclosure maintenance and corrective
7 action financial assurance activities.

8 Bill Orr will provide a brief overview of the
9 work the staff, stakeholders, and Board members have done
10 on this issue focusing primarily on the most recent
11 activities of the past two plus years.

12 This item is only an update and is not intended
13 to include a discussion of the merits of the currently
14 proposed Phase 2 regulations or the scheduled item that
15 we'll be discussing alternatives for the Board's
16 consideration of its report to the Legislature. Neither
17 of these items which will be heard at the 4-21 meeting of
18 the full Board are subject for this discussion today.

19 With that, I'd ask Bill to take it away.

20 (Thereupon an overhead presentation was
21 presented as follows.)

22 CHAIRPERSON MULÉ: Thank you, bill.

23 DIVISION CHIEF ORR: Good morning, Madam Chair
24 and Committee members.

25 For the record, my name is Bill Orr. I'm the

1 Division Chief of the Cleanup, Closure, and Financial
2 Assurances Division here at the Board.

3 As Ted indicated, you may consider this
4 particular item to be a public briefing, a preview of
5 coming attractions, if you will. There are going to be
6 some important directions and decisions on the part of the
7 Board in the coming weeks and month.

8 So what I'd like to do is just for the purposes
9 of bringing everyone up to speed --

10 --o0o--

11 DIVISION CHIEF ORR: -- is to provide brief
12 context for our current efforts.

13 Postclosure maintenance of landfills is required
14 until the waste no longer poses a threat and for a minimum
15 of 30 years. However, current financial assurances for
16 postclosure maintenance covers only the first 30 years.
17 So that's been the challenge the Board has been facing now
18 for a number of years.

19 In addition, current financial assurances for
20 corrective action only cover water quality related
21 corrective action.

22 What I'll be talking about today will focus on
23 the staff report that was provided to the Board members on
24 March 27th and is included as Attachment 1 to this agenda
25 item.

1 It's intended to be a refresher for what has
2 transpired up until this time, and it's also intended to
3 share with the Board some of the recent activities and
4 stakeholder input that's been received since we last
5 briefed the Board last August.

6 --o0o--

7 DIVISION CHIEF ORR: Real quickly, when the
8 closure/postclosure regulations went into effect in 1988,
9 there were 282 landfills currently accepting waste active
10 at that point in time. Since then, about half of them
11 have actually ceased accepting waste. And this diagram
12 here, this pie chart, shows the overall breakdown. About
13 three quarters of the landfills are publicly operated.
14 About one quarter of them are privately operated. And as
15 I indicated, about half of them are now closed.

16 On a waste flow basis, the tonnage going to
17 public and private landfills, about 55 percent of the
18 waste is going to public landfills, and about 45 percent
19 of the waste is currently going to private landfills.
20 That indicates that the private landfills are larger.

21 The Board has been examining this situation since
22 2003, but was formalized in 2006 --

23 --o0o--

24 DIVISION CHIEF ORR: -- with the enactment of
25 Assembly Bill 2296. Staff's efforts have focused since

1 that time on, first of all, developing a first phase of
2 regulations that was completed and is currently in effect.

3 We also conducted with the contractor and Board
4 staff a study. I'll talk briefly about what that
5 includes. That was completed in December of 2007.

6 We're working on our second phase of regulations,
7 and the public comment period for that closes today. And
8 there will be a public hearing on that on Thursday, the
9 16th.

10 And then the final requirement of Assembly Bill
11 2296 is for the Board to develop recommendations for any
12 needed changes to statute.

13 --o0o--

14 DIVISION CHIEF ORR: Looking briefly at what was
15 included in the AB 2296 study, it was composed of a
16 combination of a contractor's study and also a staff
17 report. Those two items together represent the AB 2296
18 study.

19 Some of the major accomplishments or work
20 products in that study, first of all, the contractor
21 evaluated all of the financial assurance mechanisms for
22 their potential for long-term use.

23 Probably most importantly from a staff
24 perspective was the development of a financial exposure
25 model, which allowed us to run various scenarios and

1 identify the potential estimated costs for both
2 postclosure and corrective action.

3 The contractor also developed a simple risk
4 screening methodology to take a look at what potential
5 environmental risk landfills may pose.

6 And then from the standpoint of the staff
7 analysis, the Board directed staff to continue to explore
8 financial assurances beyond 30 years and for non-water
9 quality corrective action by triaging a set of
10 recommendations, some of which they said go ahead and do
11 these now.

12 Some of the other ones continued to develop them
13 with the stakeholders.

14 And, finally, there were a couple where the Board
15 said let's not pursue those further at this time. That's
16 what we've been working on really for the last year plus.

17 --o0o--

18 DIVISION CHIEF ORR: Briefly looking at what was
19 included in the Phase I regulations. Probably the most
20 important thing was that it clarified that the costs for
21 cost estimates for postclosure maintenance and for closure
22 is to be based on what it would cost the State to close or
23 maintain the landfill. And it incorporated prevailing
24 wage and using Caltrans or other means to document those
25 costs.

1 It also increased the financial means test, which
2 is one of the financial assurance mechanisms, from \$10
3 million to \$15 million, to reflect inflation since the
4 original requirement was established.

5 And, finally, it requires an update based on the
6 actual current unit costs for various activities to be
7 conducted rather than simply being adjusted to reflect
8 inflation.

9 --o0o--

10 DIVISION CHIEF ORR: Now, in terms of the Phase 2
11 regulations that are currently out for comment, the main
12 things that that includes is, first of all, it revises the
13 postclosure maintenance financial assurance level in two
14 ways. For the first 15 years, it would allow an operator
15 to draw that down on an incremental basis annually. And
16 then at that point, on an optional basis, it would allow
17 an operator to apply on a five-year basis to step down the
18 level of financial assurance for good performance down to
19 a minimum level of five times the annualized cost. And
20 that would mean that essentially they had no corrective
21 action during that time, that they were participating in
22 enhanced monitoring, and that the costs were actually
23 consistent with the estimated costs for the maintenance of
24 that landfill.

25 The second part is it expands the use of the

1 reasonably foreseeable corrective action assurance for
2 non-water quality corrective action. And that essentially
3 is piggy-backing on the financial assurances that have
4 been in place through the Water Board since 1991.

5 --o0o--

6 DIVISION CHIEF ORR: Couple of the other things
7 that it includes. It would require that for the sites
8 that were closed between 1988 and 2003 when essentially
9 closure permits were established for the ones closed since
10 2003, that there be a five-year review of those plans to
11 make sure the actual costs of maintenance are updated
12 periodically. It's been a requirement on the books, but
13 there's really not been a mechanism to do that.

14 Also it includes a deadline for submission of a
15 closure certification report, which would also include the
16 inclusion of as-built costs, what it's really costing to
17 close the landfill.

18 It includes some revisions to the trust fund, the
19 addition of a standardized form for the pledge of revenue,
20 and some changes to the insurance requirements to be
21 reflective of true insurance.

22 And, finally, based on the closure cost
23 estimating dialogue that was estimated about a year and a
24 half ago, there are clarifications to cost estimates,
25 things that would be required for closure that have not

1 yet been implemented as part of a phased closure approach
2 and for premature closure.

3 --o0o--

4 DIVISION CHIEF ORR: Now, there are really three
5 key questions that the Board and stakeholders are faced
6 with.

7 First is, what level of financial assurance is
8 sufficient over the long term to protect essentially
9 exposure to the State? And our frame of reference that
10 we'll be using today and in the items the next week is the
11 Phase 2 regulations. How much has the Board already
12 addressed through the regulations that are currently
13 proposed?

14 And then what issues, what levels of risk to the
15 State is still remaining? And so one of those is the
16 issue of divestiture which would be when a landfill is
17 sold to another party and that party has either -- doesn't
18 have the same financial or technical wherewithal and
19 defaults on their obligations to maintain and/or correct
20 problems at the landfill.

21 And then the third question for the Board to
22 address is whether or not additional level of financial
23 assurance needs to be included and how to best do that to
24 address the residual default exposures beyond that which
25 are already covered through the Phase 2 proposal.

1 --o0o--

2 DIVISION CHIEF ORR: Now, looking at what we have
3 on the table right now, this is looking at the system
4 cost. If you combined corrective action and postclosure
5 maintenance costs for a 100-year period, staff estimates
6 using the financial model that was developed by the
7 contractor is that the overall system cost, what it would
8 actually take to do the work, is about \$7.4 billion over
9 that 100-year period.

10 Based on the model and various default rates that
11 have been developed by the contractor and staff, there
12 currently is about \$542 million in expected divestiture.
13 The issue of divestiture has not been addressed through
14 the regulation. That's one of the issues.

15 And based on the level of financial assurance,
16 those folks that are likely to be able to step down using
17 the proposed regulatory approach, there would be a
18 remaining estimate of \$363 million over that 100-year
19 period.

20 --o0o--

21 DIVISION CHIEF ORR: So moving on to the options
22 that the Board may choose to pursue, there are regulatory
23 options, and those will be covered in Agenda Item 3 next
24 week on the full Board agenda. And those include
25 establishing a minimum postclosure assurance level of at

1 least 15 times the annualized cost. And staff believes
2 that that would minimize the default exposure, because it
3 would keep the operator engaged at a sufficient level
4 where it would not be easy for a party with less financial
5 capability to take over that particular landfill.

6 Other options that have been discussed with the
7 Board previously and with stakeholders have been adding a
8 step-up provision to the regulations for a change in
9 control to an operator to make sure that that new entity
10 has the financial wherewithal to continue to maintain and
11 correct any problems at the landfill. And there's also
12 been discussion that that could include a waiver provision
13 for buyers with a proven track record, such as a major
14 waste company that already has the presence in California
15 with that kind of proven track record.

16 Another option that's been looked at in terms of
17 divestiture would be adding a five-time step-up for the
18 lack of continued performance or lack of participation in
19 that continued participation in that enhanced monitoring.

20 Now, while it may be a good thing from the
21 standpoint of minimizing morale hazard or sort of the
22 incentive for continued maintenance, staff believes that
23 it would have a minimal effect in terms of addressing
24 divestiture, because if a landfill is going to be sold, it
25 would probably be when the financial assurance level is

1 low but before there's any problems. So by the time you
2 could impose a step-up, it's likely that that divestiture
3 would have already occurred.

4 --o0o--

5 DIVISION CHIEF ORR: Now on the statutory items
6 that have been discussed, those will be covered in Agenda
7 Item 4 next week with the full Board. And it includes
8 keeping former owners and operators liable for closure or
9 postclosure maintenance or financial assurances even after
10 the sale.

11 A second option would be to take more the
12 superfund option, which would be to make generators or
13 transporters of solid waste liable if there are any lapses
14 by the current operator.

15 And then finally, sizing a pooled fund to include
16 divestiture has been discussed, but there is general
17 agreement among the stakeholders that stakeholders would
18 rather see divestiture addressed through one of the other
19 options. There just isn't an agreement on what that other
20 option is yet. So we've put this in here for
21 completeness.

22 --o0o--

23 DIVISION CHIEF ORR: Now in terms of options to
24 the Board to address the remaining default exposure under
25 the currently proposed regs, one option would be for the

1 Board to find that that's an acceptable risk, that that
2 level of default exposure from a public policy standpoint
3 is acceptable.

4 A second option would be to raise the financial
5 assurance to a higher level that would further minimize
6 the exposure and yet not prompt early defaults on the part
7 of the landfill operators to essentially walk away because
8 we're raising the requirements to a point where they don't
9 have the financial ability to generate capital, especially
10 the ones that are already closed or will be closing in the
11 next couple of years.

12 And then finally there could -- recommendation to
13 establish a statutory change, to establish a pooled fund
14 sized to cover the defaults that we see here in terms of
15 postclosure maintenance and corrective action.

16 --o0o--

17 DIVISION CHIEF ORR: Now on the corrective action
18 side, the modeling that we've done through the financial
19 assurance model that was developed by the contractor
20 started off with what we call base case. And that
21 essentially is like that which is proposed under the Phase
22 2 regulations, would cover known and reasonably
23 foreseeable financial assurances.

24 But several stakeholders have raised a couple of
25 other types of corrective action that are not addressed

1 currently in the Phase 2 regulations. One of those is a
2 type of corrective action called major maintenance, which
3 would be the complete replacement of the final cover
4 and/or the complete replacement of the leachate collection
5 system and/or liner below the landfill in the case of a
6 major failure.

7 Those costs may be partially covered by the
8 reasonably foreseeable financial assurances that are
9 included in the Phase 2 regulations. But as staff has
10 indicated, only about half of the landfills currently have
11 those reasonably foreseeable financial assurances in
12 place. And staff analysis suggests that the major
13 maintenance would be more expensive than the current water
14 quality financial assurances that are in place.

15 And then finally, extraordinary corrective action
16 would be more an act of God type regional event that would
17 be beyond the design of the landfill, may occur, say,
18 every 20 years where there may be a major earthquake,
19 major flood that may effect one large landfill or maybe
20 several landfills in an area that are impacted by the same
21 event. And staff has developed some options in terms of
22 statutory, how that could be built into a pooled fund.
23 I'll talk about that briefly in a minute.

24 --o0o--

25 DIVISION CHIEF ORR: So looking at the pooled

1 fund, which would be a way of pooling the risk of all of
2 the landfills in the state, there's really two ways to
3 look at it.

4 First of all, how should it be structured? Who's
5 in it? And how do they pay?

6 And then the second question I'll get to next is,
7 what would be covered by that pooled fund?

8 So looking at it from a structural standpoint,
9 one of the biggest points of discussion has been whether
10 to have a single pooled fund that everybody, public and
11 private, would pay into or whether or not to have a split
12 pooled fund where the public operators would have their
13 money set on one side and the private landfills would have
14 their money set on the other side.

15 Clearly, the combined pooled fund would be
16 simpler and cheaper from both an administration and a
17 flexibility standpoint. But there seems to be especially
18 little public operator support for that.

19 On the split pooled fund side, essentially it
20 would require that everybody pay the same level which
21 would be driven by the costs on the private side, so it
22 would generate excess revenue at some point in time. And
23 the question is, how would you use that?

24 And then also a couple of the other outstanding
25 questions there are if a landfill starts off as a public

1 landfill and at some point is sold to a private entity, is
2 it a public landfill or private landfill?

3 And conversely, the other way. If it starts off
4 as a private landfill and at some point maybe after
5 closure it's bought as a park or given as a park, then how
6 do you deal with any claims that would come out under a
7 pooled fund? Is that a private landfill or a public
8 landfill?

9 And then finally on the local government side,
10 local government has expressed an interest in being
11 indemnified from the standpoint of being a generator or
12 transporter of solid waste from essentially having to pay
13 for costs for specific landfills twice if they're paying
14 into a pooled fund. So those are some of the issues from
15 the structural standpoint.

16 --o0o--

17 DIVISION CHIEF ORR: In terms of the coverage, it
18 could include the default costs estimated based on
19 whatever the final Phase 2 regulations would cover. It
20 could add divestiture if that's not addressed in some
21 other regulatory or statutory means. It could add major
22 maintenance and/or the extraordinary corrective action
23 that I touched on briefly.

24 Or it could cover all system costs, become a
25 comprehensive fund. That's something that was considered

1 very early on in staff/stakeholder activities and has been
2 essentially discontinued for further discussion.

3 So it's there again, because it's been part of
4 our dialogue over the last year or so. But that
5 essentially would mean that the State would assume
6 responsibility for paying all closure and postclosure
7 maintenance costs for everybody in the state.

8 So that concludes my overview of staff's efforts
9 to date with an emphasis on what's transpired over the
10 last six months or so since we last discussed this with
11 the Board. I'd be happy to address any questions that you
12 may have.

13 CHAIRPERSON MULÉ: Bill, thank you very much.
14 That was an excellent presentation summarizing the work
15 that all of you have done over the last year and a half,
16 two years or so. And so I want to thank -- first of all,
17 thank staff for all of your efforts with this complex
18 subject that we've all been wrestling with for many years.

19 And also I do want to thank all the stakeholders
20 who have been involved in the work group. We do
21 appreciate all of your input into where we are today.

22 We do have two speakers first. So I would like
23 to take the speakers first. First is Chuck Boehmke.

24 MR. BOEHMKE: Good Morning, Madam Chair,
25 Committee members. My name is Chuck Boehmke with L.A.

1 County Sanitation Districts.

2 I want to thank you for letting me speak this
3 morning.

4 I mistakenly thought that Items D and E would be
5 heard both here in Committee and at the full Board. So
6 I'm going to reserve my specific comments on the
7 rulemaking for the full Board meeting. But I would like
8 to commend staff for all their hard work. We have been
9 engaged with them over the last two years in making or
10 helping to shape these rules. And I would ask the
11 Committee members and the Board members to please consider
12 our comments so far in the process and especially for
13 Phase 2.

14 Thank you.

15 CHAIRPERSON MULÉ: Thank you. We did receive a
16 letter from you. So that is part of our record for the
17 Phase 2 regulations package, yes.

18 Our next speaker is Larry Sweetser.

19 MR. SWEETSER: Good morning, Board members.

20 Larry Sweetser on behalf of the Rural Counties
21 Environmental Services JPA.

22 Realize this is only an update, but did want to
23 add a few notes into the process.

24 We have had many, many, many meetings over the
25 years. We do appreciate that, and we do appreciate all

1 the staff's work. There's been a lot of dialogue and
2 discussions. And just because progress is slow doesn't
3 mean we haven't made some. This is a very sticky issue.
4 There's a lot of concepts at stake. A lot of money is at
5 stake involving what the jurisdictions and private
6 entities have to set aside for dealing with all these
7 issues.

8 We're also cognizant of the environmental threats
9 if we do get it wrong. So it's frustrating as slow as
10 progress is, it doesn't mean we shouldn't proceed slowly.

11 There are many significant issues, and I guess
12 we're already into Phase 3 of this process. We do
13 encourage more meetings occur, because there are many
14 issues left to be resolved. We are providing comments on
15 the Phase 2 regulations. So I won't cover those here.

16 A couple items on the staff report to bring to
17 your attention. The financial exposure modeling tool
18 mentioned on page 8 is of concern. I mean, there's no
19 proof that it doesn't work, but there is a lot of
20 skepticism those of us in the work group on this model
21 where you put some numbers in and you get some numbers out
22 that equate with millions of dollars of potential threats.
23 It's not a perfect tool by any means. It does give some
24 gauge of magnitude. But we want to make sure when that
25 model is mentioned that there is also mention of the

1 limitations and the assumptions used for that model.

2 Again, it does cause a lot of concern over the magnitude
3 of dollars raised when you stick them into the magic box
4 formula.

5 One point of clarification on the rolling
6 financial assurance mechanism item on page 9. There is
7 mention that the postclosure is limited 30 years, and that
8 is true for some mechanisms. Not true for all pledge of
9 revenue. Actually, most of the pledge of revenues that
10 are provided to the Board do indicate those pledges are
11 good as long as it takes. Basically, until a landfill no
12 longer poses a threat. They're not limited to 30 years.
13 Not all mechanisms have that limitation.

14 The default issue on postclosure maintenance,
15 that's where the formula comes in. There are concerns in
16 there on how that's used. One in particular that drew my
17 attention was the rule public defaults raising from .71
18 percent to 1 percent may not seem like a big number, but
19 we are concerned on what causes it to do that. I'm not so
20 sure it's a default, per se. It may be a short-term delay
21 on paying for costs on rural areas, particularly when
22 there's unforeseen circumstances or early closure. It
23 doesn't mean they don't know they have to get the work
24 done and they did find a way to do that in the long term.

25 The corrective action item on page 13 is one

1 we've provided some comments for in the Phase 2
2 regulations or will be. It does mention in this staff
3 report about major corrective actions. And we understand
4 the need for the Waste Board to cover corrective action
5 items beyond what's currently required by the Water Board.
6 So there's no issue with that. It's just that as it's
7 portrayed in the regulations, it does indicate just
8 corrective action requirements and financial assurances
9 and assumptions. It doesn't mention as the staff report
10 does that it's only for major issues.

11 Landfills are always undergoing minor corrective
12 actions. You have a problem. You fix it. It's all
13 handled as part of operations cost.

14 So we hope that the regulations would reflect
15 that change also, that it's for major issues. Because if
16 you have to activate your corrective action fund every
17 time you have a minor issue, you could have fixed the
18 problem before you've gone through the process to apply
19 for funds. It needs to be limited to more significant
20 issues. And the staff report here does that.

21 And on the staff options that are listed, two
22 drew our attention, particularly the statutory ones.
23 Number two was this whole idea of solid waste superfund.
24 There's strong opposition I think from nearly everyone for
25 that proposal. We hope we don't have to go that far. In

1 keeping in mind in some sense local government entities
2 are already doing that. When you have a local government
3 owned and operated landfill, if they have a problem,
4 they're already dealing with those public issues. So we
5 already have in a sense a superfund that way. But we
6 don't want to see it as a requirement they're going to
7 hold generators and transporters liable for the cleanup of
8 some of these sites that have a problem. That just starts
9 a lot of issues we'd rather not go down.

10 The bigger issue is number four, the pooled fund.
11 I do want to correct one thing in there. The report is a
12 little simplistic in that it indicates that there's
13 private support and opposition to the pooled fund. In
14 actuality, there's public and private support and
15 opposition. It's not a clear line of distinction.

16 In fact, our official decision is one of the most
17 vocal ones is of concern. We don't support and we don't
18 oppose the idea of a pooled fund. We do agree that there
19 are some benefits to that, but we've always talked about
20 having a pooled fund for this magic pot of money we could
21 use to address this problem. We haven't really resolved
22 how the money gets into the pot and how it gets out, under
23 what conditions it does that. Until some of those
24 questions are answered, you can't say people are
25 supporting or opposing that. We need the details. That's

1 one of the things we've requested in the next round of
2 meetings is that we sit down and resolve those issues.

3 Probably the best one to start with is the
4 concept of a split or combined pooled fund. It's very
5 fundamental to the first step. A combined fund makes
6 things a lot simpler on recordkeeping and accounting. But
7 in discussions with all the local government folks that I
8 have, there is absolutely no support for combined fund.
9 There's too much concern that that money will be utilized
10 to pay for someone else's problem.

11 So that does lead into complications with a split
12 pooled fund. There's many, many issues that are raised in
13 notes I sent to staff earlier. Who's going to be the
14 generator of paying for those sites? If you have a
15 landfill that changes hands from public to private or
16 private to public, it happens both ways. At the point
17 that happens, two years later you have a problem, which
18 pot of money does it come out of? The public or the
19 private? We don't know. There needs to be -- in our
20 opinion, there needs to be some way of allowing that cross
21 over.

22 And these are all details that we can work out in
23 the next meeting. And actually I would encourage to have
24 a phase three meeting of the work group just solely deal
25 with that one issue.

1 So that's the our comments for the moment. And
2 appreciate the opportunity. Thank you.

3 CHAIRPERSON MULÉ: Thank you, Larry.

4 Our next speaker is Chuck Helget.

5 MR. HELGET: Madam chair, members of the Board,
6 I'm Chuck Helget representing Republic Services.

7 I, too, would like to compliment staff on a very
8 comprehensive staff report. It really attempted to put
9 this all back into perspective.

10 Many of us here have spent the last year and a
11 half or so working in these often contentious and often
12 cooperative workshops and invested a lot of time in this.
13 It was a very good culmination of where we're at today.

14 First of all, I would like to provide a bit of a
15 framework from our perspective on the staff report.
16 Framework in a context of three things.

17 One: What is our regulatory framework today?

18 Two: What is the actual historic default rate
19 and is our system a disaster? Is our system broken?

20 And three: Try to put a little bit of
21 perspective on the model used by staff to calculate
22 defaults.

23 So first of all -- and again I'm not discounting
24 the need at all to improve our system to look at -- and in
25 fact, we've cooperated and supported the Phase I

1 regulations. And we're working intensively with staff on
2 the Phase 2 regulations. Please do not take my comments
3 in the context of that we think nothing should be done.
4 We're working very aggressively with staff to make sure
5 something is done to improve our system.

6 But again, we're doing it, and we recommend the
7 Board looks at those regulations coming down the pipeline
8 in the context of what we have in place today. And there
9 is a very effective regulatory system here in California.
10 In fact, we have the most regulated set of landfills in
11 the country. And so please don't discount the fact that
12 your Board staff, the local enforcement authorities, the
13 Air Boards, the Water Boards, they're all regulating our
14 facilities today and making sure we don't have pending
15 disasters out there.

16 And again, when we move forward, I'm just asking
17 the Board members to remember the existing framework that
18 we're not on the verge of collapse, and we're not on the
19 verge of disaster. The system has worked. We have
20 financial assurance mechanisms in place. And we're
21 updating them and upgrading them on a very regular basis.
22 And quite frankly, there are times when we feel like we're
23 updating them all the time. So it's not a matter of
24 neglect. This Board has done I think a very good job in
25 making sure that our landfills are run effectively and our

1 operations respect the environment and our neighbors.

2 Secondly, a comment briefly on the model. The
3 model that is used in your staff report and the model that
4 has been used as we have talked through our working group
5 meetings and in our view is a very conservative model.
6 Conservative for a couple of reasons.

7 One, we believe that the default rate that's
8 calculated from this model really hasn't been balanced
9 against historic default rates. As you saw from a
10 previous slide, we have landfills that are closed. We
11 have landfills that are in Apostles right now. And I
12 think we need to look at that and balance that against the
13 default rates in our existing system. And keep in mind
14 those landfills that are closed are not necessarily the
15 models that we have operating today.

16 So again, I think it would be useful information
17 to balance the model, the black box that's generating
18 information, because we really haven't included in that
19 black box the historic default rates and history of what
20 we actually have in place today. And we've commented on
21 this before, and we think this should be a better look at
22 historically what the default rates are and how the
23 default rates that are coming out of this model compare to
24 it.

25 And as an example, one of the items in your staff

1 report the staff brings up is that you're basing -- the
2 model default rate is one of the elements that is based on
3 the United States Small Business Administration's default
4 rate for small business startups. And I can guarantee you
5 that starting up a landfill is not quite as easy as
6 starting up a restaurant or a government relations
7 consulting company or something like that. It takes
8 significant investments to start up a landfill. And
9 again, that may be the best piece of information
10 available. But again, it lends itself to a very, very
11 conservative model.

12 Finally, I would urge Board members to come out
13 to our landfills and take a look at a landfill that is
14 installing a new cell and get a real hands-on first
15 impression view of the amount of work that goes into cell
16 development, the things that our engineers and our
17 construction companies do to make sure these cells are
18 built safely.

19 Standing invitation to any Board members to visit
20 our sites. I've checked -- unfortunately, I don't think
21 we have any of our cells being developed right now. But
22 we do have a video that was done for Sycamore Canyon, and
23 I would offer that to anyone, any Board member that would
24 like to sit down and watch about a 15-minute presentation.

25 And I would be happy to answer any questions if

1 there are. Thank you.

2 CHAIRPERSON MULÉ: Thank you, Chuck.

3 Our next speaker is Chuck white.

4 MR. WHITE: Thank you, Madam Chair, members of
5 the Committee, Senator Kuehl.

6 My name is Chuck White with Waste Management.

7 And I'll just have some very brief comments
8 related to the presentation this morning.

9 I'd also like to add my voice to giving praise to
10 the work staff has done and other stakeholders over the
11 last couple of years on this process. And while we're not
12 quite at the end of the tunnel yet, I think we are making
13 significant progress.

14 One comment related to Bill's presentation this
15 morning and the current system that Bill indicated it has
16 30 years of postclosure care. Existing federal
17 regulations for which California is required to be
18 compliant do provide for an initial 30-year period, but
19 also require approved states, of which California is one,
20 to be able to lengthen or shorten that postclosure care
21 period as necessary to provide protection to human health
22 and the environment. So that's the basic federal system.
23 Even though California didn't quite adopt that verbiage in
24 your regulations previously, you certainly have the
25 authority and ability to do so at any point in time.

1 So I guess my only point on this is I don't want
2 you to have the impression that you're limited to only 30
3 years. The federal law for which California is required
4 to comply does provide a mechanism for lengthening and
5 shortening that 30-year period and to provide the
6 financial assurance necessary to back up that lengthened
7 or shortened financial assurance period.

8 We will have comments next week on the Phase 2
9 regulations. For the most part, we're supportive of the
10 Phase 2 regulations. We do have request for some further
11 clarification.

12 One of the clear indications from Bill's report
13 this morning in which we concur is Phase 2 is not the end
14 of the road. There needs to be something more done in
15 order to make sure the State is fully protected. And
16 there's a variety of options that Bill laid out.

17 The one that Waste Management has continually
18 supported and will support next week and today and in the
19 future is the establishment of legislatively established
20 pooled fund. We think that is the most cost effective way
21 and efficient way to ensure that the State has the
22 resources necessary to respond to landfill problems that
23 may occur. We don't think they're going to be widespread
24 or very many of them, but may occur in the future on a
25 limited basis.

1 This is much more cost effective and efficient
2 than trying to require every single landfill to provide
3 financial assurance for the worst possible case situation
4 to ensure that the State is protected. A pooled fund is
5 much more cost effective and efficient way to do that.

6 There is a bill in the Legislature, AB 274.
7 Waste Management supports that. It is a vehicle right now
8 that only addresses the divestiture issue, but it could be
9 used as a vehicle to provide for a pooled fund.

10 Waste Management certainly wants to work with all
11 stakeholders. There was a bill last year that had pretty
12 broad policy supports in the Legislature. Didn't make it
13 out before the end of the legislative session. We're
14 hopeful that we can work with all stakeholders, and we
15 hope that the Board will take a leadership role and
16 recognize the pooled fund is, in fact, the most cost
17 effective and efficient way to go about providing the
18 additional assurance you need that the State has the
19 resources necessary to respond to problems should they
20 develop in the future at any particular landfill.

21 And we would just like to keep the discussion
22 open and hopefully have the Board's active involvement in
23 developing this pooled fund concept further as we move
24 into this next Phase 3 after the Phase 2 is completed.

25 Thank you very much.

1 CHAIRPERSON MULÉ: Thank you, Chuck.

2 Final speaker is Bill Magavern.

3 MR. MAGAVERN: Good morning, Board members. Bill
4 Magavern with Sierra Club, California. Thank you for the
5 opportunity to make some brief comments.

6 Scott Smithline of Californians Against Waste has
7 also indicated that I can speak for him, although we'll
8 give him a chance to back out of that after he hears what
9 I have to say.

10 I realize this is just an update, so we'll save
11 most of our comments for next week. We'll also submit
12 written comments.

13 But I just want to review that throughout this
14 process, we have raised a number of concerns with the
15 analysis that is now the basis for this proposed
16 regulation. We think, first of all, that this analysis
17 has not provided a complete accounting of all of the costs
18 that landfills are likely to face in the postclosure
19 period. For example, the cost of major maintenance like
20 cap replacement and repair or clogged leachate lines or
21 non-water quality corrective action.

22 We also think that the possibilities of default
23 have been seriously underestimated. We're talking about
24 the hundreds of years in the postclosure period. We can't
25 really be confident that the landfill operators will be

1 around and be able to meet their obligations. And of
2 course the whole point of financial assurance is to make
3 sure that the State is not exposed.

4 We think there needs to be much closer scrutiny
5 of the different mechanisms used to provide financial
6 assurance. In particular, the financial means test we
7 think is one that should not be used. Is certainly a too
8 big to fail test. And once again, we have seen in major
9 industries companies that everybody thought were too big
10 to fail have failed. So to just say, well, you've got the
11 financial means so that provides the financial assurance
12 we think is really insufficient.

13 The use of the step down we think would be a big
14 mistake. That this is actually a time we should be
15 stepping up and not stepping down and the levels of
16 assurance that would be allowed are not nearly enough if
17 you step them down.

18 There are a couple of points that were in this
19 staff analysis that were not presented to you this
20 morning. And I think it's important to note that in the
21 options to address divestiture on page 17 the very first
22 regulatory option is the minimum postclosure maintenance
23 annual cost multiplier of 30x throughout the period. And
24 it's noted that 30x provides the least financial exposure
25 to the State in the absence of a pooled fund.

1 So by the staff's own analysis -- and again as
2 I've said, we think that that analysis misses some
3 factors. But by that analysis, this is the option that's
4 best for the State. But it's the one that somehow slipped
5 off the table in between this paper and this morning's
6 presentation.

7 Secondly, when you go to the statutory options,
8 there are four in the paper and there were three that were
9 presented to you this morning. The one that's missing is
10 the flexibility to restrict use of certain financial
11 assurance mechanisms. And that as I indicated in talking
12 about the financial means test, it is a good idea to have
13 additional restrictions. And yet that wasn't presented to
14 you this morning. Glad to see it was in the paper though.

15 Clearly, it is appropriate for the Board to make
16 recommendations to the Legislature. And that was part of
17 AB 2296 which we co-sponsored. But I think it's important
18 to not use that recommendation process as a rationale for
19 weakening the regulatory options that the Board needs to
20 adopt. It would be a mistake to say, well, because there
21 could be sometime in the future a statutory option that
22 therefore we're going to adopt a weaker regulatory option
23 now. I think it's important for the Board to have a
24 regulatory package that will fully protect the State and
25 have the least possible financial exposure.

1 So thank you for your attention to these
2 comments.

3 CHAIRPERSON MULÉ: Hold on, Bill. We have a
4 question for you.

5 COMMITTEE MEMBER KUEHL: Hello.

6 Could you expand the issue that you mentioned
7 last about the limitations or restrictions on various ways
8 of providing financial assurance? I didn't quite get the
9 attitude one way or other, except it wasn't mentioned.
10 Where in the report is it? I'm sorry. I had the same
11 question to Bill.

12 MR. MAGAVERN: That's on page 18 under statutory
13 options, number 3.

14 And what I'm saying is that we support this
15 recommendation that the Board be given more flexibility to
16 restrict the use of certain financial assurance mechanisms
17 that it deems are not acceptable for a particular purpose.

18 COMMITTEE MEMBER KUEHL: Do you have some in
19 mind?

20 MR. MAGAVERN: Yeah. The financial means test.

21 COMMITTEE MEMBER KUEHL: Is that the only one?

22 MR. MAGAVERN: That's the only one we think
23 should be taken off the table. There may be others that
24 should be conditioned.

25 The Board did some years ago take away

1 essentially restricted using the captive insurance. And
2 we think the financial means test is essentially the
3 sister of captive insurance, because in each case you're
4 relying on the company itself to provide that assurance
5 rather than having any kind of outside funding.

6 COMMITTEE MEMBER KUEHL: Thank you, Madam Chair.
7 I have a question for Mr. Orr though.

8 CHAIRPERSON MULÉ: Bill.

9 COMMITTEE MEMBER KUEHL: One of the slides
10 indicated revisions to trust funds.

11 DIVISION CHIEF ORR: Yeah.

12 COMMITTEE MEMBER KUEHL: But I don't know where
13 that's elucidated.

14 DIVISION CHIEF ORR: They're more minor wording
15 changes. They're not really what I would call policy
16 related things. So the minor changes would be covered as
17 part of the rulemaking item next week.

18 COMMITTEE MEMBER KUEHL: Where do I find it in
19 the regs?

20 DIVISION CHIEF ORR: Oh.

21 COMMITTEE MEMBER KUEHL: Just so I can see the
22 minor word changes.

23 DIVISION CHIEF ORR: Well, I'm looking for them.
24 Some of them are in the trust agreement, which is in
25 Agenda Item 3, Attachment 2. If you look there, you'll

1 see some wording changes in terms of the beneficiary. And
2 there are also some changes about disbursements. I think
3 those are the main changes. So those would be in Agenda
4 Item 3, Attachment 2.

5 COMMITTEE MEMBER KUEHL: Okay. I see that.

6 The other thing was in the same area of your
7 presentation -- I'm sorry I made inadequate notes. I have
8 a note that says clarification to cost estimates, which
9 was part of one of your bullet points.

10 DIVISION CHIEF ORR: Yes. In October of last
11 year, there was a stakeholder effort that we called the
12 cost estimating dialogue, because there was a lot of
13 questions about what you needed to include in your cost
14 estimates and what you didn't need to include in your cost
15 estimates.

16 So we engaged in a stakeholder process where we
17 met with stakeholders on several occasions. We actually
18 came up with a couple of documents to sort of memorialize
19 the outcome of that. But we essentially triaged certain
20 types of things that could be required in the cost
21 estimates, may be required depending on the circumstances
22 and other things that would not be required as part of the
23 cost estimates.

24 And so that's what I was alluding to, that
25 essentially what we're making a change to now is

1 clarifying language to say that you have to include things
2 that are required for closure at such time they become
3 required until they're actually installed.

4 So, for example, if you are monitoring for
5 landfill gas and you're doing fine, there's no gas that's
6 been detected migrating, but at some point in the future
7 you start to have landfill gas and so you would be
8 required to install a control system or mitigate that
9 problem, if that became a protracted problem and you
10 didn't have the control system in yet, you may have to
11 cost for that system. But you wouldn't have to cost for
12 it before it's required.

13 The other thing is that from a standpoint of
14 phased closures there may be certain structures that you
15 need to install at some point. But if the landfill was
16 closed prematurely before that structure was required, you
17 wouldn't need to put it in the cost estimate. I think a
18 good example that we've seen of that lately are certain
19 drainage control systems, where as the landfill gets
20 larger at some point in time, you may have to install some
21 kind of parameter drainage system. But you may not have
22 to do that until the landfill reaches a certain size.

23 So if you're phasing how much of that landfill
24 closes at a particular time, you need to include that and
25 say, well, when would we need to install that thing? And,

1 you know, how does that fit in our overall phasing of our
2 development of the landfill? And depending on the answers
3 to those questions, the answer would be, no, you don't
4 need to include it right now. Or the answer may be, well,
5 at some point down the road, that may become an important
6 cost and we would need to include it. So those are the
7 kind of things we looked at as part of that closure cost
8 estimating dialogue.

9 COMMITTEE MEMBER KUEHL: So is that an aspect of
10 negotiation for each potentially closing landfill?

11 DIVISION CHIEF ORR: Yes, it is.

12 CHAIRPERSON MULÉ: Okay. Margo, I don't know if
13 you're on line if you have any questions.

14 COMMITTEE MEMBER BROWN: I am still here. I
15 don't have any questions today. I'll wait until next
16 week.

17 But just say thank you to Bill and Ted and your
18 whole group. It's been a long process, but I think we've
19 gotten some good work product out of it. And I'll look
20 forward to Tuesday.

21 CHAIRPERSON MULÉ: Great. Thanks for hanging in
22 there with us. Now go enjoy your vacation.

23 We have one more question from Sheila.

24 COMMITTEE MEMBER KUEHL: This had to do with
25 someone taking over responsibility for the closed

1 landfill. Did you say that staff felt that the step up
2 would not necessarily be adequate?

3 DIVISION CHIEF ORR: Staff believes the 5x step
4 up for a lack of continued performance or enhanced --
5 participation in enhanced monitoring would not be timely
6 enough to really address divestiture.

7 COMMITTEE MEMBER KUEHL: That was the third
8 bullet point, not the second?

9 DIVISION CHIEF ORR: That was the third, not the
10 second. The stepping back up for changing control to new
11 owner operator we believe would be partially effective at
12 doing that, yes.

13 COMMITTEE MEMBER KUEHL: So just in terms of some
14 failure.

15 DIVISION CHIEF ORR: Yeah.

16 COMMITTEE MEMBER KUEHL: And when you're talking
17 about the difference between public and private if we had
18 the split pool, if we have a pool at all, and the transfer
19 changes the nature of the owner, whether or not they would
20 then be considered public or private or vice versa, that
21 only goes to which pool they would have access to if we
22 had a split pool?

23 DIVISION CHIEF ORR: That would be the main
24 question, yes.

25 CHAIRPERSON MULÉ: Well, again, I want to thank

1 staff. Great report and presentation. We really
2 appreciate all the work that you've put into this.

3 I do agree with Larry Sweetser. We have made a
4 tremendous amount of progress, although sometimes it seems
5 very slow. But we are moving along with this. And as
6 I've mentioned before, this is a very complex issue. So I
7 think we need to move forward very thoughtfully and
8 deliberately with this process.

9 So with that, thank you very much.

10 Ted.

11 DEPUTY DIRECTOR RAUH: I would just like to close
12 this item by indicating we really would like to extend our
13 thanks to Rubia Packard, who provided some invaluable
14 assistance in making the final document readable. And we
15 appreciate that.

16 CHAIRPERSON MULÉ: Thank you, Rubia. Appreciate
17 all your work on this. You're that behind-the-scenes
18 person that makes it all look great. So thank you.
19 Appreciate it.

20 There's a couple things now, couple options we
21 can do. We're thinking about taking a break for lunch.
22 We could do that right now since it is 12:00 noon, break
23 for just 30 minutes and come back at 12:30 and hear the
24 rest of the agenda. Does that sound good to everybody?
25 We'll return at 12:30. Thank you.

1 (Thereupon a lunch recess was taken.)

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 AFTERNOON SESSION

2 CHAIRPERSON MULÉ: We're going to reconvene the
3 Permitting and Compliance Committee meeting.

4 And, Tracey, would you mind please calling the
5 roll for us?

6 EXECUTIVE ASSISTANT COTTINGIM: Member Kuehl?

7 COMMITTEE MEMBER KUEHL: Here.

8 EXECUTIVE ASSISTANT COTTINGIM: Chair Mulé?

9 CHAIRPERSON MULÉ: Here.

10 And I believe we do not have any ex partes to
11 report. So we're okay there.

12 Let's continue with Committee Item F, Board
13 Agenda Item 5, Ted.

14 DEPUTY DIRECTOR RAUH: Thank you. And Item F is
15 Consideration of Revised Full Solid Waste Facility Permit
16 for Miramar Greenery Composting Facility in San Diego
17 County. And here to present the staff's item is Bill
18 Marciniak.

19 CHAIRPERSON MULÉ: Good afternoon, Bill.

20 MR. MARCINIAK: Good morning and afternoon -- I
21 had this changed once and I changed it back.

22 Good afternoon, Madam Chair and Committee
23 members.

24 Miramar Greenery composting facility is located
25 in Miramar Landfill which occupies the southern portion of

1 the Miramar Marine Corps Air Station in the city of San
2 Diego. The Greenery is operated by the city of San Diego
3 Environmental Services Department. The land is leased
4 from the Miramar Marine Corps Air Station.

5 The proposed solid waste facility permit will
6 allow for the following changes:

7 There will be a tonnage increase from 460 tons
8 per day to a maximum receipt of 690 tons per day.

9 Acreage increase from 29.46 acres to 74.46 acres.

10 An increase in design capacity from 200,000 cubic
11 yards for feedstock active compost and product on site at
12 any one time to 301,000 cubic yards.

13 And an annual design capacity increase from
14 144,000 tons to 1 million cubic yards, which is equivalent
15 to approximately 296,736 tons.

16 Feedstock allowed by the current permit includes
17 green materials, shredded papers, clean dry wood,
18 pre-consumer drywall, and source-separated food scraps.
19 However, no more than ten percent of the total feedstock
20 received was to have been wood waste, food scraps, and
21 drywall.

22 In the proposed limit, there is no longer a ten
23 percent restriction for wood waste, food scraps, and
24 drywall. And the operator will also be allowed to accept
25 vegetables and animal-based grease, animal bedding, and

1 manure.

2 The LEA has certified that the application
3 package is complete and correct and the reported facility
4 information meets the requirements of California Code of
5 Regulations. The LEA has also determined the permit is
6 consistent with and is supported by existing California
7 Environmental Quality Act analysis.

8 Board staff have reviewed the proposed permit and
9 supporting documentation and found them to be acceptable.

10 In conclusion, Board staff recommends Option 1,
11 that the Board adopt Resolution 2009-52 for solid waste
12 facility permit number 37-AB-0003.

13 Jackie Adams of the LEA and Lisa Woods from City
14 of San Diego Environmental Services Department and myself
15 are available to answer any questions you may have.

16 CHAIRPERSON MULÉ: Thank you, Bill.

17 Do we have any questions for staff on this one?

18 I would like to thank the LEA as well as the city
19 for being here. We're very pleased to see yet another
20 composting facility expansion take place here in the state
21 of California.

22 With no questions being asked, do I hear a
23 motion?

24 COMMITTEE MEMBER KUEHL: Move Resolution 2009-52.

25 CHAIRPERSON MULÉ: Second.

1 Donnell, would you call the roll?

2 EXECUTIVE ASSISTANT DUCLO: Kuehl?

3 COMMITTEE MEMBER KUEHL: Aye.

4 EXECUTIVE ASSISTANT DUCLO: Chair Mulé?

5 CHAIRPERSON MULÉ: Aye.

6 We will put that on consent for the full Board
7 next week.

8 Thank you, Bill.

9 Next item is Committee Item G, Board Agenda Item
10 6. Ted.

11 DEPUTY DIRECTOR RAUH: Thank you, Mr. Chair Mulé.

12 This is consideration of a Scope of Work and
13 agreement with the California Air Resources Board for
14 \$75,000 to purchase, support, and make available
15 surveillance equipment to assist the Waste Tire
16 Enforcement Program.

17 Here to present the item in detail is Darryl
18 Petker, who is the project manager for this effort, and to
19 my right Division Chief Lorraine Van Kekerix.

20 CHAIRPERSON MULÉ: Thank you, Darryl.

21 MR. PETKER: Hello again. This is Darryl Petker
22 with the Compliance Section.

23 This agreement will be the third agreement that
24 we will have had with the ARB, and this will extend us to
25 May of 2011. It's for the sum of \$75,000, and it's for

1 the purchase of new cameras, maintenance of those cameras,
2 and the cameras that we currently have with them, repairs,
3 parts, and then placement and taking down of those
4 cameras.

5 The reason we're going with the ARB on this is
6 they have people that do this all the time for other
7 governmental agencies as well as their own. They have two
8 people on staff, one in northern California, one in
9 southern California. This is their main job is to place
10 cameras for us and other agencies and help with some other
11 things. So it's a perfect fit there.

12 This agreement will only go towards the purchase
13 of equipment, supplies, and maintenance of the -- what
14 we're going to purchase, not towards any labor fees. So
15 their time is on their own. We're not paying for that.
16 We're only purchasing of the cameras and the equipment
17 the.

18 The previous contract we had was for 175,000.
19 There's currently about five to \$10,000 left in this
20 agreement. The reason I can't give you a firm number on
21 that is we have a bill coming in for some computers that
22 we're purchasing on this agreement. So we can correlate
23 the information, download it quickly without disturbing
24 the cameras and letting people know they're up there.

25 A little bit about the cameras that we have or

1 what they're being used for. Several jurisdictions
2 throughout the state have used these. I'll get into more
3 about that. What happens is they're available for our
4 staff to use them, for enforcement staff as needed for
5 tire activities, as well as the grantee. So we give
6 that -- we let the grantees know that these cameras are
7 available for use for them on tire issues.

8 So we currently have with purchase from them is
9 six covert cameras or -- six overt cameras, two covert
10 cameras, and six computers for downloading information
11 from these cameras.

12 Now, the overt cameras are the ones you can see.
13 Those are the ones we put up on the pole. They call them
14 pole cameras. They can be used in several ways. They can
15 be silent and just take pictures. You can attach a voice
16 so when a censor monitors something, it will say, "Get out
17 of here. Stop dumping." It will be a proactive thing.
18 But it can take photos on a designated time frame or with
19 a certain motion. Just like a motion censor light. It
20 will pick up motion. It will take pictures. They're very
21 focused though.

22 The other one -- two we have, the covert are
23 buried in the ground with a censor strip or a light that's
24 triggered and takes pictures. So you can hide them under
25 a rock or bush or something like that. Those are ones we

1 usually stick out in really rural areas so they don't get
2 ripped off. Somebody sneaks up behind them and takes
3 them.

4 What we want to do and we've been looking for and
5 haven't found one cheaply yet is a remote controlled
6 camera that has a pan tilt and zoom function on it so
7 somebody can sit five or six blocks away and do this, or
8 even here at the building should be able to control it.
9 The problem we're having with that is it's so expensive.
10 We found some with the band width we needed, but they're
11 50, \$75,000. So as of yet, we are not recommending those
12 kind of purchases.

13 So a little bit about how we've used the cameras
14 so far. They've been used over 34 times. Average usage
15 is about four months in a certain location. And again,
16 kind of how this happens is grantees or the Waste Board
17 inspectors will make a request we need a camera at this
18 location. That comes in. We process it. We give it to
19 the ARB. Their people contact our grantees or our
20 inspector, determine the property location. The ARB takes
21 it. Sets it up. Puts it up. Sets it down. We download
22 the information or the grantees download the information.
23 When we're finished, the ARB goes out. Takes it down.
24 Stores it for us. Maintains it for us for the next usage.
25 That's kind of the way the process works, at no cost to

1 us, other than the camera.

2 What happens we get first right on those cameras.

3 If we are not using them and somebody else wants to use

4 them and we don't foresee it, then we allow another

5 agency -- DTSC has used them in the past. ARB has used

6 them in the past. So that way they're not just sitting

7 there. Other people benefit from the purchase also.

8 Like I said, they've been used 34 times in the

9 past several years over the past two contracts. Average

10 use was for about four months. Longest one is a year.

11 And that one is still up. We have two that are being

12 looked at being set soon. And again I just wanted to say

13 the cameras, we have first right on the cameras. If

14 they're not used by us, other government agencies can use

15 them.

16 In a couple instances, they've been some pretty

17 good success stories. Sacramento has done it several

18 times. They've caught a -- put one up at a shop where it

19 actually caught somebody coming in and taking tires out

20 and disposing of tires. So they were taking used tires

21 that were sitting on the lot, took those out.

22 Kern's had similar success. They want to

23 purchase their own.

24 Oakland has contacted us because they want to use

25 it. The cameras are so successful, they're using it for

1 illegal dumping.

2 San Diego, we've used them there. Ventura has
3 used them.

4 Where else? Who else has used them? I have them
5 here. Los Angeles is also using them. They're building
6 them into their --

7 CHAIRPERSON MULÉ: We have a question.

8 COMMITTEE MEMBER KUEHL: Just a question about.
9 I don't mean to be grinchy. It's not a whole lot of money
10 for the equipment.

11 But this sort of right to use it first. And if
12 we don't use it, then they can use it for other purposes.
13 In the first time you said that sentence, you said for
14 other tire-related purposes. But then that's not what it
15 says in the language of the presentation to us. And you
16 talked about DTSC and the Air Board.

17 MR. PETKER: Right. If I said tire related
18 purposes for other agency, I misspoke.

19 COMMITTEE MEMBER KUEHL: Whatever purpose they
20 want to use them for, as long as we are not using them.
21 What happens when -- just out of curiosity -- they set up
22 a camera for a particular project of their own and then we
23 want to use it?

24 MR. PETKER: They have to ask us ahead of time.

25 COMMITTEE MEMBER KUEHL: So it's a time --

1 MR. PETKER: That hasn't happened yet. We've
2 always had a spare camera around somewhere.

3 If that came up, the contract manager would make
4 the call. And if we needed it, I would request them pull
5 it down.

6 COMMITTEE MEMBER KUEHL: Thank you.

7 MR. PETKER: And then management could argue over
8 it. Their management could talk to our management.

9 So that kind of sums up.

10 I guess our recommendation is that for Option 1
11 the approval of the Scope of Work and the ARB as the
12 contractor.

13 CHAIRPERSON MULÉ: Thank you, Darryl.

14 We do have one speaker before we move forward.
15 Terry.

16 MR. LEVEILLE: Madam Chair, Committee Member
17 Kuehl, Terry Leveille, TL and Associates.

18 I sort of as a representative of the Tire Dealers
19 Association, which they're little independent guys that
20 collect the tire fee, I sort of feel like once again that
21 this is one of those cash cow kind of things that the
22 Board kind of like sucks out of the tire fund.

23 I remember a few years ago when you had the first
24 contract, and I thought it was a little expensive then.
25 But it just sort of -- I haven't been able to put my

1 finger on what is weird about this thing.

2 We're buying the equipment and we -- I can see
3 loaning it out to local governments for enforcement. I
4 don't know about the private sector. Are we giving it to
5 the private sector?

6 CHAIRPERSON MULÉ: No.

7 MR. LEVEILLE: I heard that you had said they had
8 caught somebody stealing used tires.

9 MR. PETKER: That was put up at Sacramento
10 County's request.

11 MR. LEVEILLE: Okay. Well, you know, I mean,
12 it's just a little bit of an odd type of contract. And --

13 COMMITTEE MEMBER KUEHL: Of course, the other
14 option is when we're not using it, it has to sit in the
15 shop because we won't let anybody else use it. It doesn't
16 make sense either. So long as we bought the equipment and
17 we use it extensively whenever we want to, it seems --

18 MR. PETKER: Let me add one more thing, Terry.
19 That's a good question. Something I hadn't said is out of
20 that full contract of 175, a lot of that reverted because
21 it wasn't all used. So a lot of that reverted last year
22 back into the fund. That's why this one is so much lower
23 than the original first one.

24 MR. LEVEILLE: Okay. As I said, it's not a big
25 issue, but it's just an odd issue. Thank you.

1 CHAIRPERSON MULÉ: Thank you, Terry.

2 COMMITTEE MEMBER KUEHL: I'll move Resolution --
3 is it appropriate now?

4 CHAIRPERSON MULÉ: Yes.

5 COMMITTEE MEMBER KUEHL: 2009-53.

6 CHAIRPERSON MULÉ: Second.

7 Donnell, would you call the roll?

8 EXECUTIVE ASSISTANT DUCLO: Kuehl?

9 COMMITTEE MEMBER KUEHL: Aye.

10 EXECUTIVE ASSISTANT DUCLO: Mulé?

11 CHAIRPERSON MULÉ: Aye.

12 We will put that on fiscal consent.

13 I just want to make a comment on that item. I do
14 want to ensure that local government also gets an
15 opportunity -- gets priority to utilize this equipment,
16 because that would seem to be one of the issues in the
17 tire enforcement grants where some of the local
18 jurisdictions were requesting surveillance equipment and
19 they were denied that portion of their grant. So I just
20 want to make sure that we provide them with the
21 opportunity to utilize the equipment for surveillance.

22 Lorraine.

23 DEPUTY DIRECTOR VAN KEKERIX: Board Member Mulé,
24 we are advising all of our tire grantees this equipment is
25 available for them to use. And we also will be revisiting

1 the issue of what's included in those tire grants when
2 they look at the criteria item later this year.

3 CHAIRPERSON MULÉ: All right. Thank you.

4 COMMITTEE MEMBER KUEHL: So was there anything in
5 the resolution or the description that needed to be very
6 specific about the local government ability to use the
7 equipment?

8 DEPUTY DIRECTOR RAUH: Member Kuehl, I don't
9 believe so, because as long as I've been with the program,
10 we have actively and routinely advertised the availability
11 of this program at meetings like this and through the
12 grant awardees. So I think we make every effort we can
13 and will continue to do so to make sure they are all aware
14 of the availability of this equipment.

15 COMMITTEE MEMBER KUEHL: Right. I'm only trying
16 to see if the language needs to reflect that. I'm sorry I
17 don't --

18 CHAIRPERSON MULÉ: It doesn't say it in there.

19 COMMITTEE MEMBER KUEHL: It doesn't say it
20 anywhere, the fact we've already done that. Maybe the
21 language it's for the Board's purposes first covers that.
22 But I don't know.

23 Just in whatever you put out, maybe it ought
24 to -- Mark, maybe it ought to say --

25 EXECUTIVE DIRECTOR LEARY: If that's the

1 Committee's direction, we can certainly modify the
2 resolution to include an additional paragraph under --

3 COMMITTEE MEMBER KUEHL: I just want it to
4 reflect reality because of the issue the Chair --

5 EXECUTIVE DIRECTOR LEARY: We should make that
6 clear.

7 COMMITTEE MEMBER KUEHL: And we always do that.
8 Twenty years from now, we want to make sure people know
9 that.

10 CHAIRPERSON MULÉ: We're saying we're doing
11 something, but we don't see it written anywhere. So --

12 DEPUTY DIRECTOR RAUH: We'll revise the
13 resolution.

14 CHAIRPERSON MULÉ: That would be helpful. Thank
15 you.

16 DEPUTY DIRECTOR VAN KEKERIX: And the bulk of the
17 use has been by local government grantees.

18 COMMITTEE MEMBER KUEHL: I think you're assuming
19 that when you say our purposes come first, we're subsuming
20 our local government grantees in our purpose, and that
21 might be a parenthetical including phrase. But I think as
22 long as it's there, we ought to make it clear.

23 CHAIRPERSON MULÉ: Thank you. All right. Let's
24 move on.

25 DEPUTY DIRECTOR RAUH: Item H is Consideration of

1 the Scope of Work and Agreement with the California
2 Highway Patrol for \$250,000 to Conduct Enhanced
3 Enforcement, Security Assistance, Education, Training,
4 Investigative Assistance, and Surveillance for the Waste
5 Tire Compliance Program.

6 And as you heard today, earlier today, we
7 certainly do make use of the CHP in both our border
8 activities and as part of my report I indicated the use of
9 CHP in aerial surveillance.

10 So here to present this item is Darryl Petker
11 again.

12 (Thereupon an overhead presentation was
13 presented as follows.)

14 MR. PETKER: Thank you again. Still Darryl
15 Petker. Thank you for this opportunity.

16 This is also -- actually, this is the fourth time
17 that you've taken this under consideration. This has been
18 going on for ten to twelve years now and has been very,
19 very successful. There are things that we're working out,
20 we're refining, and we're making it better.

21 But let me do the presentation and then we can go
22 for this.

23 --o0o--

24 MR. PETKER: This is the fourth agreement with
25 the CHP.

1 Features of this proposed agreement is training
2 support for officers, inspectors. Over the last
3 agreement, we found this to be really beneficial. We've
4 been putting a lot of effort into training officers. Both
5 CHP and cities have requested this. And we're getting
6 good results. They're referring stuff to us now.

7 One of the things we do is roadside check points
8 for haulers. We've done those throughout the state. We
9 really use those a lot to help support the border study.

10 Investigative assistance for inspection staff.
11 When staff comes into something that they need a little
12 more support from, a little more expertise, the CHP can
13 step up. We've done that on several and we're looking at
14 others to, to be able to do that. In other words,
15 interrogations and interviewing skills, some background
16 checks, things like that, if necessary, to help with
17 administrative actions or criminal actions.

18 Aerial support for CIWMB and our grantees. Just
19 for clarification, when I say CIWMB, it's for us and
20 grantees. And hopefully I put that out there a little
21 better this time.

22 We use this for several purposes. We've had
23 airplanes and helicopters go up to do surveillance over
24 areas we can't see. We've used the aerial surveillance
25 along the border issues. We've used aerial surveillance

1 to support the satellite imagery, which you'll hear about
2 tomorrow.

3 We've put people in the field to be able to look
4 at Lake Oroville, for instance, so that staff and the
5 contractors could go up and find the best ways to get into
6 sites that weren't easily accessible to do the less damage
7 to the environment, and cover large areas to be able to
8 look at.

9 Also provide legal assistance for the legal
10 people, our legal folks for serving papers, if necessary.

11 And a big one is security for personnel. When we
12 go to a site, might be a little dangerous, CHP can step up
13 and will send one, two, or if necessary more. I mean,
14 there's been times where we've had some pretty dangerous
15 situations, and they sent in seven or eight and cleared
16 the site before we did any work.

17 --o0o--

18 MR. PETKER: Current activities. Major focus is
19 the training. Like I said earlier, we just completed four
20 three-day trainings down in San Luis Obispo that focused
21 the cooperation with CHP, Office of Emergency Services,
22 the grantees, and ourselves. We had four three-day
23 sessions. They were geographically centered. We had one
24 from the northern California group. What that meant is
25 inspectors and CHP from that area so they would be trained

1 together. They would work together. They've started
2 calling each other. No longer do they call me. They can
3 call each other.

4 Then we did one along the coastal region, for the
5 central valley, and we just finished one recently for
6 southern California. They've worked out very well. We're
7 actually getting requests from the CHP to do this yearly
8 as a refresher. And our folks loved it. There was some
9 great things in there.

10 We had to force -- because of travel and
11 everything, we had to force into three days what could
12 have easily gone longer, to let you know. So that was one
13 of the good things.

14 We trained well over 150 people in that, in those
15 trainings. Then we have another smaller training which
16 will do a little dog and pony show and go to different
17 offices, and it's a 90-minute training. So we've got two
18 requests for that. We have one coming in Sacramento, and
19 on Thursday, we're doing one in Redding. They
20 requested -- the officers requested it. So we're going up
21 to Redding to give them this. It's just a short version.
22 Here's the rules. Here's the regulations. Here's what we
23 are looking for.

24 And so, you know, when we teach these, we put the
25 emphasis on education before we do enforcement. We tell

1 the officers and our grantees, please, let's educate those
2 that just need that. If enforcement is needed, then we go
3 there.

4 --o0o--

5 MR. PETKER: Other activities. Aerial support
6 and surveillance. Again talked about this. It's been
7 very good. It's been very helpful. At times, we've just
8 asked the CHP to fly over sites once a week and take
9 pictures so we can watch if it grows. They do that.
10 Sometimes they don't even charge us. They just do it,
11 because they like it. And now we get calls and photos,
12 here's another site for you. Here's another site for you.
13 So it's extending, and they're liking the changes from
14 what they usually do.

15 Part of the aerial also helps us greatly in the
16 rugged areas of northern California. There are valleys
17 out there that they can't get into. Satellite stuff won't
18 pick it up. And we'll do a whole valley for grantees out
19 there. We've done that a couple times recently.

20 One of the things it's done also is cleared up
21 the fact that there weren't any tires out there. So we
22 have been able to clear an area that there aren't any
23 problems.

24 --o0o--

25 MR. PETKER: Roadside checks points. This was a

1 great resource for the border tire flow. We used it a lot
2 down there as well as throughout the state.

3 We had over 25 check points at different times to
4 collect information to pass on to Dr. Ganster and his
5 people as well as work on this. So we stepped up the tire
6 enforcement along the border partly because of the border
7 study. It's pretty much a direct result of that.

8 Now the CHP and some of our people have actually
9 done training with the customs people on the border and
10 with the border agents. We've probably from what I
11 heard -- I was involved with the customs training, not the
12 border. The total number of people was about 170 people
13 between the agents and the border people that were trained
14 on this. And then information that's gathered from that
15 is brought back and shared.

16 --o0o--

17 MR. PETKER: Personnel security, can't say enough
18 about this when we get somebody going out to a site how
19 nice it is to have them there to deal with it. Whoever
20 we're inspecting, they seem to be a lot nicer when the
21 black and white rolls up. Just the cooperation seems to
22 be a lot better.

23 We've used them for cleanups up in Mendocino and
24 Eureka up there where there was some real concerns over
25 illegal behavior up there and protecting of their

1 environment.

2 And then services of legal documents. Many times
3 legal can't find somebody, and we'll give that paper to
4 the CHP, and they'll run them down and find them. We've
5 had three or four successes in the last two years on that
6 alone.

7 --o0o--

8 MR. PETKER: Agreement cost. The previous
9 agreement was for \$400,000. We have about \$150,000
10 remaining in the current agreement. And I say about,
11 because I've got bills from the last three to four months
12 coming in. They're just slow getting us the bill. It
13 could be ten, 15,000 either way.

14 And part of that is because sometimes when they
15 raise their rates, they'll raise it all the way back to
16 July. And then I get that bill, too.

17 So for this one, I think a recommendation of 250
18 for this, that will cover more additional training,
19 continuing the efforts on the border, and anything else
20 that's needed.

21 CHAIRPERSON MULÉ: Thank you, Darryl.

22 Any questions, Sheila?

23 COMMITTEE MEMBER KUEHL: Darryl, as I understand
24 it, each one of the agreements that we signed with them is
25 sort of for a number of fiscal years. So it's tire

1 limited, and therefore what we paid and what they did
2 ended July 1, '08, kind of thing?

3 MR. PETKER: We're in a contract now which will
4 end on May 15th of this year.

5 COMMITTEE MEMBER KUEHL: Because this says this
6 is a Scope of Work for a two-year agreement fiscal years
7 08-09 and 09-10. The issue problem statement, the very
8 first page of the description for the Board, it just says,
9 "This item proposes that the Board approve the Scope of
10 Work for a two-year agreement with the CHP fiscal years
11 08-09 and 9-10."

12 MR. PETKER: That's where the money is coming
13 from.

14 COMMITTEE MEMBER KUEHL: So what's the time
15 scope?

16 MR. PETKER: Time scope for where we sign it
17 until May 15th of 2011. It will be the same two-year
18 period, which could be extended a year if they haven't
19 used all the funds, or more money can be added to it and
20 extended a year.

21 COMMITTEE MEMBER KUEHL: I think the work is
22 very, very important. No question.

23 Some of the description of what we kind of paid
24 for in the past, like training, videos, and things that
25 are actual products, not just the doing, which I'm

1 assuming is most of it is the doing.

2 MR. PETKER: Yes.

3 COMMITTEE MEMBER KUEHL: But are we -- is it
4 because we need to update materials that we're paying for
5 new materials?

6 MR. PETKER: It would be good to update some of
7 the training materials. One reason is prior when the
8 training materials were done and the videos were done, we
9 had the regulation of a separation between waste and used.
10 The CHP could site if they had waste tires but not used
11 tires they were carrying. That was a change from
12 originally.

13 So we've recently got that back, and all our
14 training materials says used versus waste. Now it's used
15 and waste. It makes it a lot simpler for them. This it
16 was actually a recommendation that came from the CHP to
17 get that changed. That has since been changed.

18 COMMITTEE MEMBER KUEHL: Thank you, Madam Chair.

19 CHAIRPERSON MULÉ: Thank you, Darryl.

20 I don't have any questions. And good program. I
21 think we need to continue it.

22 So without further ado, do I hear a motion?

23 COMMITTEE MEMBER KUEHL: Yes, I would move
24 adoption of Resolution 2009-54.

25 CHAIRPERSON MULÉ: Second.

1 Donnell, please call the roll.

2 EXECUTIVE ASSISTANT DUCLO: Kuehl?

3 COMMITTEE MEMBER KUEHL: Aye.

4 EXECUTIVE ASSISTANT DUCLO: Mulé?

5 CHAIRPERSON MULÉ: Aye.

6 This item will be placed on fiscal consent for
7 the full Board next week. Thank you.

8 Thanks, Darryl.

9 Next item is Board Agenda Item 8.

10 DEPUTY DIRECTOR RAUH: Item I is Consideration of
11 the Adoption of the Proposed Revisions Noncontroversial
12 Cleanup Amendment Revisions to the Existing Waste Tire
13 Hauler Registration and Manifesting Regulations.

14 And here to present the item are Cathy Blair and
15 Keith Cambridge. And Cathy, please take it away.

16 MS. BLAIR: Good afternoon, Chair Mulé and
17 members of the Committee, Ms. Kuehl.

18 My name is Cathy Blair. I work as an Integrated
19 Waste Management Specialist in the Hauler Compliance
20 Section.

21 Today, I'll be presenting the Consideration of
22 Adoption of Proposal of Revisions to the Existing Tire
23 Hauler Registration and Manifesting Regulations.

24 On June 10th, the Tire Hauler Compliance Section
25 presented the decision and request for rule making

1 direction on formally noticing proposed revisions to the
2 regulations to clarify waste tire hauler and manifesting
3 requirements, Board Item 16, at the Strategic Policy and
4 Development Committee.

5 Staff was directed to begin the formal rulemaking
6 process. A 45-day public comment period on the proposed
7 revision ran from October 3rd through November 17th, 2008.
8 Staff received three public comments. One comment was
9 incorporated and the language was amended to allow for the
10 denial and revocation of a waste tire hauler registration
11 when it has been determined a waste tire hauler has been
12 in violation of a federal, State, or local laws as related
13 to the waste tire hauler business.

14 Two other comments made reference to the
15 agricultural hauler issue. The first proposed to exempt
16 all agricultural waste haulers, while the other
17 recommended further agricultural hauler requirements.

18 Staff believes that accepting and/or changing the
19 current agricultural regulations/requirements from the
20 hauler registration is a substantive and controversial
21 change beyond the scope and intent of the proposed
22 regulatory change package. Staff will re-examine these
23 agricultural issues at a later date.

24 On January 8th, 2008, Board staff conducted a
25 public hearing to provide an additional opportunity to

1 comment on the proposed regulations. Only one member of
2 the public appeared at the hearing and made the same
3 comment that was submitted during the 45-day comment
4 period. As mentioned previously, staff addressed the
5 issue and amended the language.

6 On January 12th, 2009, at the Permitting and
7 Compliance Committee meeting, the Tire Hauler Compliance
8 Section presented the decision and request for rulemaking
9 direction on noticing revisions to the existing waste tire
10 hauler registration and manifesting regulations for an
11 additional 15-day comment period.

12 Board Item Number 6, staff was rejected to begin
13 the 15-day comment period which ran from January 20th to
14 February 3rd, 2009.

15 The Board staff received three comments via
16 e-mail during this comment period. The first comment was
17 the same comment received during the 45-day comment period
18 which addressed further agricultural hauler requirements.

19 The second comment received requested further
20 clarification of the agricultural requirements. As stated
21 previously, staff believes exempting and/or changing the
22 current agricultural regulations requirements from the
23 hauler registration is a substantive and controversial
24 change beyond the scope and intent of the proposed
25 regulation's regulatory change package.

1 As stated before, staff will be meeting with the
2 parties at a later date to discuss these changes.

3 The final comment received contained generic
4 inquiries about the hauler regulations and not specific to
5 the regulatory changes being proposed. Staff believes
6 that these questions are outside the scope of the
7 regulatory changes.

8 Staff recommends the Committee adopt Resolution
9 2009-55 for these regulations that are categorically
10 exempt from CEQA and to direct the staff to submit the
11 regulation package to the Office of Administrative Law to
12 complete the rulemaking process.

13 This concludes my presentation. Are there any
14 questions?

15 CHAIRPERSON MULÉ: Thank you, Cathy.

16 Questions for Cathy, Sheila?

17 COMMITTEE MEMBER KUEHL: Just so you don't feel
18 anyone is sleeping up here, I always have questions.
19 Every item. I don't know. It's just the way I've always
20 approached my work.

21 I'm interested in the CEQA exemption. And I
22 think I understand that we don't have to go through all
23 the CEQA analyses where it's simply sort of paperwork,
24 because this is mostly registration forms.

25 MS. BLAIR: Correct. And it's pretty much

1 business as usual. We're just trying to do a lot of
2 cleanup language so the regulations are more clear.

3 COMMITTEE MEMBER KUEHL: Right. I was looking
4 though -- just so I understand kind of the scope of it.
5 In the applicability of the regulations, are the two
6 sections that are underlined, are those new or -- because
7 I didn't see anything crossed out. It's who has to
8 comply, right, with the regulations?

9 DEPUTY DIRECTOR RAUH: On page 4.

10 COMMITTEE MEMBER KUEHL: Sorry. Attachment 1,
11 page 4, "New tires pneumatic or solid that have never been
12 driven on, discarded tires from electric wheelchairs, and
13 solid plastic tires are not used or waste tires."

14 MR. CAMBRIDGE: Member Kuehl, that's correct.
15 There's a few subjects, few items that do not comply with
16 our -- do not have to comply with our regulations. And
17 it's in specific statute that the wheelchairs do not have
18 to comply, electric wheelchairs. As far as forklift
19 tires, if they're rubberized, we do regulate them. If
20 they're plastic, they don't fall under that rubber as
21 well. These are the ones that are exempt.

22 COMMITTEE MEMBER KUEHL: That wouldn't really
23 effect anything relating to environmental impacts though
24 really, would it?

25 MR. CAMBRIDGE: No.

1 COMMITTEE MEMBER KUEHL: We always exempt new the
2 tires from the definition of used tires.

3 MR. CAMBRIDGE: Correct.

4 COMMITTEE MEMBER KUEHL: Thank you very much.

5 CHAIRPERSON MULÉ: Thank you very much. We have
6 no speakers on this item.

7 Do I have a motion?

8 COMMITTEE MEMBER KUEHL: Move Resolution 2009-55.

9 CHAIRPERSON MULÉ: Second.

10 Donnell, would you call the roll?

11 EXECUTIVE ASSISTANT DUCLO: Kuehl?

12 COMMITTEE MEMBER KUEHL: Aye.

13 EXECUTIVE ASSISTANT DUCLO: Mulé?

14 CHAIRPERSON MULÉ: Aye.

15 And that passes. And we will put these on
16 consent.

17 Thanks again, Cathy and Keith, for all your work.

18 Our final item of the day, Ted.

19 DEPUTY DIRECTOR RAUH: Thank you.

20 This is Consideration of Grant Awards for the
21 Local Government Waste Tire Cleanup and Amnesty Event
22 Grant Program.

23 This item recommends 36 full and one partial
24 award, totaling \$2 million. Additionally, three unfunded
25 and remaining unfunded portion of one of the partially

1 funded application totaling \$75,254.

2 Also recommended if additional funds are
3 available subject to Board action on Item 14 that you'll
4 hear at a later session.

5 Here to present the item is Scott Walker. Scott,
6 please take it away.

7 (Thereupon an overhead presentation was
8 presented as follows.)

9 CLEANUP BRANCH MANAGER WALKER: Thank you, Chair
10 Mulé, Committee members. Scott Walker, Manager of the
11 Cleanup Branch.

12 I'd like to acknowledge Diane Nordstrom-Lamkin,
13 who runs these programs on her own. And she couldn't make
14 it today. She has some child care issues. So hopefully I
15 will do justice to this item for her. If I don't, I will
16 hear from her.

17 --oOo--

18 CLEANUP BRANCH MANAGER WALKER: As Ted mentioned,
19 the item before you today is Consideration of Grant Awards
20 for the Local Government Waste Tire Cleanup and Amnesty
21 Event Programs.

22 Essentially, the Public Resources Code provides
23 for grant funds to public entities for cleanup, abatement,
24 and prevention of stockpiles of illegal dumping of tires.
25 And these programs started quite a while ago. In 1992,

1 the amnesty event program started. And in '97, the
2 cleanup grant program started. They were revamped and
3 combined in 2005 to streamline in one grant application
4 process. So this is the fourth cycle since the programs
5 were substantially revamped.

6 The allocations for fiscal year 08-09 are \$2
7 million. 09-10 is two million again. This rises a little
8 bit in 10-11 to 2.1 million. And the final three fiscal
9 years or the next five years it's 2.2 million. These are
10 spelled out in the Five-Year Tire Plan that was adopted in
11 February.

12 Just like to point out that with the allocations
13 the Board has flexibility if one grant needs a little more
14 than a million to go into the other one, if it can. So
15 that's what we have in this combined program.

16 --o0o--

17 CLEANUP BRANCH MANAGER WALKER: The Waste Tire
18 Cleanup Grant Program is intended to collect, transport,
19 and provide end use or disposal of waste tires from
20 stockpiles and nuisance dumping. And up to \$50,000 per
21 site and \$200,000 per applicant is allowed for.

22 If sites are greater than 500 tires, basically
23 between 500 tires and 5,000 tires and greater than 5,000
24 tires, they have to meet Board's cost recovery policy.
25 Basically, what that says is less than 5,000 tires could

1 qualify, but it first has to go to the Farm and Ranch
2 Grant Program. If it's eligible there, it has to go into
3 that program, if it's eligible and can be funded through
4 that program.

5 But then smaller sites where the applicant can
6 provide an approvable affidavit under penalty of perjury
7 they're not responsible for the tires, the Board may waive
8 or forgo cost recovery and enforcement. This is pretty
9 limited in its use. Over the years, we've seen a lot less
10 of these. And again, this has to be vetted through the
11 local enforcement agency.

12 But primarily, the main demand for funding of
13 this program has really come into the removal of tires
14 from public right-of-way, the nuisance sites, dumping
15 sites, very small sites. A lot of these sites are mixed
16 waste with other solid waste. This program does allow for
17 jurisdictions to apply and get funding for those
18 situations.

19 --o0o--

20 CLEANUP BRANCH MANAGER WALKER: The Waste Tire
21 Amnesty Event Grant Program is intended for collection
22 events that allow the public to bring waste tires to
23 convenient locations for proper end use for disposal.

24 This is quite a popular program. It allows for
25 up to \$30,000 per grantee and \$90,000 for joint applicants

1 of two or more jurisdictions primarily for the collection,
2 transport, and end use or disposal.

3 The other point on this program is one change we
4 made a couple years ago at the direction of Chair Mulé was
5 cost for grantee's staff oversight, advertising, and
6 education material are also allowed as eligible grant
7 funded expenditures up to a maximum of 25 percent of grant
8 award.

9 I would like to point out that the agenda item
10 was originally written incorrectly on that. It says no
11 they're not. But they are. And so the item has been
12 corrected. And that's what the revision is that's been
13 posted.

14 --o0o--

15 CLEANUP BRANCH MANAGER WALKER: The application
16 and evaluation process, the Board considers eligibility
17 criteria and evaluation process for grant programs and
18 specifically these programs, periodically updates them.
19 And the last was September of 2008. They're updated at
20 least every two years or as directed by the Board.

21 After a completeness review, the initial
22 application review includes allowance for revision to
23 correct errors. You heard this last month. We do it very
24 similarly as the Tire Enforcement Grant Program. And so
25 we were able to refine and correct relatively minor

1 errors. But they do add up, and they do help us vet
2 really what is appropriate for approval.

3 These applications are then ranked by threat.
4 There's three threat categories for the cleanup program.

5 And then for the amnesty program, it's the cost
6 per tire. Then it goes through a process of given the
7 equivalency goes down to whether or not the applicant also
8 has a Tire Enforcement Program and what the extent of
9 matching funds are.

10 In the annual cycle, this current cycle which is
11 cycle four, the applications were due January 9th of 2009.

12 --o0o--

13 CLEANUP BRANCH MANAGER WALKER: The results of
14 this cycle, we received 43 applications. One was
15 withdrawn. And there were two that were deemed ineligible
16 because of excessive per tire costs that weren't
17 justified. And they were on the order of 38, \$40 per
18 tire.

19 The total recommended amount is 2,075,254. There
20 were 15 cleanup grants and 39 amnesty day grants. The
21 amnesty request was a little bit more than the cleanup.
22 Again, the total number of tires up to on these grants is
23 on the order of 650,000 tires. And again, there's one
24 recommended cleanup grant that has sites. And this is
25 with Calaveras County. And there's two sites. They span

1 two parcels. They have greater than 500 tires. Actually,
2 the total tires on the sites is 1200 tires. The county is
3 also requesting money for some right-of-way cleanups which
4 we also have as part of the grants.

5 And it's the property owners that filed the
6 affidavits. So these are tires that were accumulated
7 probably in the '60s, previous owners. And they've been
8 approved by -- the LEA has looked at these and said the
9 property owners are not responsible for this. So they've
10 essentially applied for that.

11 Again, you'll notice that we were a little bit
12 above what the allocation is. This triggers the A and B
13 list. The B list, we recommend the B list for the
14 grantees that are ranked in the 75,254 over, and these are
15 part of Agenda Item 14. So the Board will consider and
16 they're are recommended for funding in Agenda Item 14,
17 which is the reallocation item. And there are amnesty
18 grants and one partial grant.

19 Couple of real brief points. We always keep
20 track of who's supplying, and again some applicants will
21 apply one year. They take a break the next year, come
22 back again. And so we look at who's new, and we try to
23 work with them and try to encourage more. And we have new
24 cities, which are Lake Elsinore, Truckee, and also
25 Paradise in this round.

1

2 CLEANUP BRANCH MANAGER WALKER: Just a real brief
3 comment. I know there was some interest in the
4 Enforcement Grant Program. Just looking at the future on
5 demands of the program and we just do the best we can on
6 the Five-Year Tire Plan to kind of project what we think
7 the demand will be. But clearly there are developments
8 that could occur that could increase or decrease.

9 And, you know, one aspect is there is an
10 introduced bill and has been last year also that didn't
11 pass, SB 230, Cogdell, which would ease hauler
12 restrictions for farmers. You could see a lot more tires
13 going especially to the Amnesty Day Grant Program if that
14 passes as it currently exists.

15 And then also in the Five-Year Tire Plan, we
16 recommended that legislation to require tires that are
17 replaced at the dealers to be left at the dealers. Right
18 now, the person going and buying tires, they can take the
19 tires back. So some of these dealers charge about four
20 bucks, three to four bucks for a processing fee of those
21 tires. And sometimes you see that. And we think if that
22 eventually got in, we could see a decrease in the demand.
23 Whether or not it does come in on any legislation remains
24 to be seen. I'm not aware of anything where it's in right
25 now.

1 A major area that we look at for lowering the
2 demand is really improved coordination with enforcement
3 programs, which are continuing to try to work more at this
4 to make sure that especially in the right-of-way cleanups
5 where we can connect with the enforcement grantee and like
6 you heard the surveillance cameras, CHP, work to try to
7 identify those sites, kind of get at them. So hopefully
8 if that does, the fruits of that actually are going to see
9 lower demand.

10 And then finally, depending upon eligible and
11 ineligible grant costs on criteria that we come before the
12 Board periodically to re-evaluate or if there's Board-wide
13 grant policies and procedures change, that could also
14 change the demand one way or the other.

15 --o0o--

16 CLEANUP BRANCH MANAGER WALKER: So in conclusion,
17 staff recommends that the Board approve the proposed grant
18 awards for the Local Government Waste Tire Cleanup and
19 Amnesty Event Programs and adopt Resolution 2009-56.

20 Be happy to answer any questions. Thank you.

21 CHAIRPERSON MULÉ: Thank you, Scott. Very
22 thorough presentation.

23 Any questions for Scott?

24 Okay. Do I have a motion?

25 COMMITTEE MEMBER KUEHL: Move Resolution 2009-56.

1 CHAIRPERSON MULÉ: Second.

2 Donnell, please call the roll.

3 EXECUTIVE ASSISTANT DUCLO: Kuehl?

4 COMMITTEE MEMBER KUEHL: Aye.

5 EXECUTIVE ASSISTANT DUCLO: Mulé?

6 CHAIRPERSON MULÉ: Aye.

7 And we will place that item on fiscal consent for
8 the full Board next week.

9 That concludes our meeting. Thank you all for
10 being here.

11 (Thereupon the California Integrated Waste
12 Management Permitting and Enforcement
13 Committee adjourned at 1:21 p.m.)

14

15

16

17

18

19

20

21

22

23

24

25

1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 20th day April, 2009.

15

16

17

18

19

20

21

22 TIFFANY C. KRAFT, CSR, RPR

23 Certified Shorthand Reporter

24 License No. 12277

25